FBIS DAILY REPORT

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CAPUTO: RESPONSE TO TERRORISM MUST RESPECT LAWS

PY281804 Buenos Aires TIEMPO ARGENTINO in Spanish 24 Apr 86 p 9

[Text] Foreign Minister Dante Caputo said yesterday that "our basic function is to make known the importance of peace, the preservation of which depends on the maintenance of the juridical order as the indispensable condition to guarantee the independence of our countries." Caputo made that statement after a meeting at Government House, during which the National Committee for the International Year of Peace Celebration was installed in order to support this UN initiative.

Referring to the events in the Gulf of Sidra, the head of San Martin Palace said that "terrorism is unacceptable to us, because the Argentine experience is fresh in our mind." He then warned: "But the response to terrorism must be in line with the law, as pointed out in the communique the Foreign Ministry issued on 15 April on the latest episode in Libya." Caputo then recalled that the communique emphasized "the need to speak out, through the action of this commission, about the importance of consolidating peace."

PANAMA'S NORIEGA COMMENTS ON CONTADORA PROSPECTS

PA262250 Panama City LA REPUBLICA in Spanish 25 Apr 86 pp 1, 15

[Text] Buenos Aires, [no date as published] Apr (EFE) -- General Manuel Antonio Noriega, commander-in-chief of Panama's National Defense Forces, stated here that he is "cautiously optimistic" regarding a peaceful solution to the Central American conflict. In statements made to the EFE agency in Buenos Aires, the Panamanian general noted the consensus on signing the peace act attained at the last Contadora meeting with the Support Group and five Central American foreign ministers. This document, which should be signed prior to 6 June, does not yet have the support of Nicaragua, which has put as a precondition that the United States end its military support for the contras.

In this connection, Gen Noriega stated that "last week, my country's foreign minister, Jorge Abadia Arias, received a letter of authorization from President Ronald Reagan stating that if Nicaragua signed the peace act, the United States would end its support for the contras and would resettle them elsewhere with humanitarian aid." The Panamanian military man added: "This is the light we see at the end of this dark tunnel toward which the Central American problem could be guided." Noriega admitted: "Central America is an alarm, a red light, because it is there that the spiral of violence for Latin America is located and it can increase in concentric circles, in a shock wave towards other regions of North and South America."

"It is in this context that one should consider the U.S. decision not to accept a regime in this area that does not coincide with U.S. ideological standards." The Panamanian general said that "if the peace act is not signed, and looking at it dispassionately and from a military standpoint, we can say that we are faced with a problem that is worsening and that all options are being exhausted, thus threatening a total confrontation." Noriega took part in the fourth drug control conference in Buenos Aires which concluded yesterday.

On his way back to his country, Gen Noriega made a stopover in Lima, Peru, where he was met by Secretary of the Presidency Dr Ernesto Cornejo, who took him to the Presidential Palace where Peruvian President Dr Alan Garcia awaited the arrival of the commander-in-chief of the Panamanian Defense Forces. The main topic of the brief meeting was the Peruvian president's forthcoming visit to Panama. President Alan Garcia had planned to travel to Panama in the first 2 weeks of April, but the visit was postponed. During his interview with Gen Noriega, which lasted 40 minutes, Garcia sent cordial greetings to Panamanian President Eric Arturo Delvalle and the message that he may visit Panama.

ALFONSIN MEETS DEPARTING NICARAGUAN AMBASSADOR

PY290317 Buenos Aires DYN in Spanish 1637 GMT 25 Apr 86

[Text] Buenos Aires, 25 Apr (DYN) -- President Raul Alfonsin granted a long audience to outgoing Nicaraguan Ambassador Ricardo Zambrana Diaz during which they exchanged views on the conflict in Central America. The diplomat went to the Casa Rosada to say goodbye to the president, because next Sunday he returns to Managua, where he will hold the post of Latin American affairs adviser to the Sandinist government. During the 45-minute audience yesterday, Zambrana Diaz reiterated his government's position on the negotiations being conducted by the Contadora Group and the Support Group, according to information provided by reliable sources from the Foreign Ministry. Alfonsin and Zambrana also exchanged views on the recent visit of the Reagan administration's special envoy, Philip Habib, to Buenos Aires.

OAS SECRETARY GENERAL ARRIVES FOR VISIT

PY280244 Buenos Aires TELAM in Spanish 1517 GMT 27 Apr 86

[Text] Buenos Aires, 27 Apr (TELAM) -- OAS Secretary General Joao Baena Soares arrived in the country just before noon for an official 3-day visit to Argentina, which includes meetings with President Raul Alfonsin and Foreign Minister Dante Caputo. In statements made at Ezeiza International Airport just after his arrival, Baena Soares referred to the role of the OAS and indicated that some things have changed since last year's meeting at Cartagena de Indias, when the document containing reforms for the OAS Charter was approved. He indicated that the document contains instruments and means that will allow the organization to strengthen its political activities, to modernize and to make it more flexible regarding the interests of the hemisphere as a whole. He stated that in this respect the change may have led to a "new life" for the organization, to such an extent that the member countries have come to call the document "the spirit of Cartagena." After his brief meeting with the press, Baena Soares departed for the Plaza Hotel, where he will stay during his 3 days in Argentina.

NAVAL DELEGATES FROM 12 NATIONS ASSEMBLE

PY272204 Buenos Aires BUENOS AIRES HERALD in English 27 Apr 86 p 7

[Text] Bahia Blanca (DYN) -- For the first time since the Malvinas war, Navy representatives from twelve American countries including Argentina and the United States met to analyze ship security and communication codes, as well as joint regional operations. The unannounced meetings began here last Tuesday and the Argentine delegation was headed by Naval Aviation commander Rear-Admiral Alberto Martini.

U.S. 'UNITED FORCES-86' MILITARY MANEUVERS BEGIN

PY290320 Paris AFP in Spanish 1851 GMT 28 Apr 86

[Text] La Paz, 28 Apr (AFP) -- The joint military maneuvers between Bolivian and U.S. forces "United Forces-86" officially began today at the noncommissioned officers school in Cochabamba, in the central part of the country. General Raul Lopez Leyton, commander in chief of the Bolivian Armed Forces, and U.S. Ambassador Edward Rowell presided over the ceremonies. It was reported on that occasion that the military maneuvers will begin in the town of Cliza (Cochabamba high plateau), where parachuting and infantry maneuvers will be conducted, with the participation of Lopez Leyton himself. Later, the military group will have the Chapare tropical region as their center of action. The largest coca plantations in the country are found in this zone. Two hundred seventy-five U.S. troops and more than 1,500 Bolivian soldiers, using a large quantity of war materiel brought in by the U.S. troops, will participate.

LEGISLATIVE BRANCH APPROVES NATIONAL BUDGET

PY221416 La Paz La Red Panamericana in Spanish 1130 GMT 22 Apr 86

[Excerpt] During a session last night, the legislative branch approved the national budget. Thus, after more than 20 years, the country now has this legal tool to facilitate government negotiations for international financial support aimed at achieving the economic recovery of the country. The national budget was approved after extensive negotiations and a series of problems that affected negotiations for foreign financing. The government submitted the budget bill to Congress last month. The Chamber of Deputies took almost 1 month to study the bill, and several political parties charged that the government is not allocating sufficient funds for health and education. As a result of a political agreement between the ruling Nationalist Revolutionary Movement and the main opposition, the Nationalist Democratic Action, the budget was approved by the Chamber of Deputies. Therefore, the final approval of the budget last night did not meet any opposition in the Chamber of Deputies.

BRIEFS

NEW NETHERLANDS AMBASSADOR -- La Paz, 22 Apr (AFP) -- Netherland's ambassador to Bolivia, Henry Guillaume, today presented his credentials to President Victor Paz Estenssoro at the Government Palace. [Excerpt] [Paris AFP in Spanish 0428 GMT 23 Apr 86 PY]

GAS EXPORTS — Energy and Hydrocarbons Minister Carlos Morales Landivar announced on 2 April that Bolivia will increase the volume of its gas exports to Brazil to 200 metric tons per day, worth more than $18 million. [Excerpt] [La Paz PRESENCIA in Spanish 3 Apr 86 p 1 PY]

POLICE OFFICIAL SAYS PCBR GETS FOREIGN FUNDING

PY290212 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Apr 86 p 1

[Text] Commissioner Paulo Zimmerman, Federal Police superintendant in Bahia, stated yesterday that the PCBR (Brazilian Revolutionary Communist Party) is receiving financial assistance from other countries. Zimmermann did not reveal the names of the contributors or the amounts but stated that he has information that the dollar figures are recorded in a ledger found by Sao Paulo Federal Police in the house of former Aeronautics Sergeant Antonio Prestes de Paulo -- one of the two criminals of a group of seven people (according to the police) linked to the PCBR. Some of the people, who are also members of the Workers Party, attacked a Bank of Brazil branch office at the Canela University campus in Salvador (Bahia state) on 11 April.

National Intelligence Service (SNI) Chief General Ivan de Souze Mendes stated yesterday in Brasilia that episodes like the attack in Bahia "prove the need to maintaining a law on state defense," as the National Security Law (LSN).

ABREU SODRE BEGINS TRIP TO SAUDI ARABIA, KUWAIT

PY252214 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Apr 86 p 5

[Text] Foreign Minister Abreu Sodre left yesterday for Saudi Arabia, via Paris, beginning an official 4-day visit during which he will meet with Brazilian ambassadors to Middle East countries. Sodre will assess the policy for the region and discuss the possibilities of strengthening diplomatic and commercial relations between Brazil and those countries following the guidelines set by President Jose Sarney. On 29 April, before returning home, Sodre will visit Kuwait, where he will also hold meetings with economic authorities.

In Riyadh, the capital of Saudi Arabia, the foreign minister will preside over a ceremony dedicating the new Brazilian Embassy. He will be received by King Fahd 'ibn 'Abd al-'Aziz and will meet with the ministers of defense, industry, economy, finance, and petroleum. According to Itamaraty, this is a political trip, although some contacts may be made to improve trade relations. Brazil is interested in participating in the Saudi services market. Today Sodre will spend the day in Paris, and at night he will leave for Riyadh with three advisers. The meetings with the 12 Brazilian ambassadors to countries in the region will take place on 26 and 27 April, interspersed with meetings with Saudi authorities.

The foreign minister will spend 29 April in Kuwait according to Itamaraty. The objective of this trip is reportedly similar to that of the Saudi visit. Sodre will leave Kuwait on the same day, stop over in Riyadh, and return to Brazil via Zurich and Paris on 1 May. On Monday, 21 April, Sodre, accompanying President Sarney on his visit to Vitoria, stated that diplomatic relations with Cuba will be reestablished before the 15 November elections. According to the minister, talks between the two countries will begin within a month to decide on "the level of reltaions that will be established."

2 DEAD, 5 INJURED IN 3 SANTIAGO BOMBINGS

PY290113 Santiago Domestic Service in Spanish 1700 GMT 28 Apr 86

[Text] A bomb exploded in Santiago University's College of Arts causing considerable property damage and injuring one person. University authorities immediately ordered an investigation to find those responsible. The university press secretary (Leopoldo Ermiceti) has reported the following:

[Begin recording] Today at 1100 a bomb exploded on the second floor of the arts and crafts college of this school. The explosion broke more than 50 windows and caused considerable damage. Roberto Rojas, a university official, was injured and is now in the university health unit. University authorities have ordered an investigation. [end recording]

The extent of the damage has yet to be determined. Meanwhile, another attack occurred recently in Santiago. This is reporter Hugo Reyes from mobile Unit No. 2.

[Begin Reyes relay] Three women were wounded when a bomb exploded today at 1330. The explosion occurred in a public bathroom on Paseo Las Delicias Street, near Alameda Avenue between the Universidad de Chile and Moneda subway stations. Personnel from the police bomb squad are working there, while other Carabineros are directing traffic. We reiterate that a bomb exploded in the Paseo Las Delicias Street near the Alameda Avenue, between the Universidad de Chile and Moneda subway stations. The women were wounded when the bomb exploded in a bathroom on the Paseo de las Delicias. [end relay]

An urgent report from Villa Alemana says that two persons died during an explosion that occurred today at 1100 on the corner of the (Yungay) and San Eugenio Streets in the Villa Alemana district of Santiago. The bomb exploded in the home of Jose Eduardo Carvajal Arancilia, who died while he was handling the bomb. An unidentified woman, approximately 35 year old, also died. A woman named Miriam Ross Carrera was slightly wounded and arrested by the police. The following items were found in the house: two machine guns, automatic weapons, rifles, two bazookas, explosives, medicines, reading material and instructions on explosives, and military uniforms. The military court is investigating the case.

BRIEFS

TRAFFICKERS ARRESTED -- The Santiago Investigations Police have seized 500 grams of cocaine worth 8 million pesos [approximately $42,500] and have arrested Jaime Ibarra Ramirez, 35, and Francisco Ramirez Rivera. Ibarra Ramirez had brought the drug from Argentina. [Summary] [Santiago Domestic Service in Spanish 1730 GMT 31 Mar 86 PY]

EXTENSIVE ECONOMIC, SOCIAL PROGRAMS ANNOUNCED

PA271750 Bogota EL TIEMPO in Spanish 22 Apr 86 pp 1 A, 8 A

[Text] The government approved yesterday a drastic monetary control policy that contemplates a reduction of more than 160 billion pesos during the first semester this year. An inflation goal of 22 percent in 1986 is still in force. This policy will not entail the paralyzation of public investments or a lack of financing for the private sector. Quite the contrary, during the current government's final 100 days, 104 projects worth more than 156 billion pesos will be carried out, more than 27.6 billion pesos will be added to the budget, and private industry will receive 47 billion pesos in development credits.

The government reported that the combined deficit of the public sector will be reduced to 2 percent of the GNP this year. This will ensure that the operational deficit will not become a source for monetary expansion. The price policy for the agricultural and livestock sector will be oriented to reducing production costs in order to stimulate the profitability of this activity. A package of measures will be adopted, including a reduction of customs taxes for the sector's basic goods, a 75-percent reduction of port charges for unloading and handling of raw materials and inputs, and the elimination of advance deposits prior to the importation of fertilizers, pesticides, and agricultural machinery.

The government hopes that the unemployment rate will be lowered through the consolidation of the economic reactiviation. Before the constitutional term is over, a report by the Chenery Mission on a long-term solution to the unemployment problem will be delivered. A report by the public expenses commission, which is studying formulas to lower state expenses, will be published in July. Regarding energy, the government has announced that oil production at Cano Limon will increase to 150,000 barrels per day in the coming months, and that at least 90,000 barrels per day of crude will be exported. The economic and social plan for the Betancur administration's last 100 days was announced at the end of the government's "summit" meeting at the Narino Palace yesterday.

Monetary Control

The document indicates that strict internal control will be exercised to prevent an excessive increase in money supply. Thus, the Banco de la Republica's funds available for domestic loans will shrink by 160.4 billion pesos during the semester, of which 30 billion pesos correspond to the public sector and 168.2 billion pesos correspond to financial agencies. [figures as published]

Part of the reduction in the financial sector will be achieved through the purchase of bonds issued by the Bank of the Republic." [quotation marks as published]

On the other hand, the private sector's net credits will increase by at least 16.9 billion pesos during the 6-month period. Regarding foreign exchange, the objective of maintaining the country's solid position will be achieved by a higher accumulation of international reserves and an adequate handling of the exchange rate. During the 6-month period, reserves will rise by $500 million. In the next months, the government expects to receive the first installment of the $515 million from the "jumbo" [preceding word in English] loan granted by private international banks.

Investment Plan

Investments that have been selected will cost 156,782.5 billion pesos. The national budget will pay 39,783.3 billion pesos of these expenditures. The rest, that is, 116,994.2 billion pesos, will be financed with resources of the respective decentralized agencies. The required budget additions total 27,610.5 billion pesos. Of this amount, 25,162.4 billion pesos (91 percent) are included in the national budget. Decentralized agencies, the Roads Fund and Civil Aeronautics in particular, will cover the rest. The plan unveiled by the government covers the following sectors:

Industry

A $47-billion peso development credit; selective protection for production, imports, and financing of capital goods; resumption of the installation of the Papelcol plant; ensuring continuity in Alcalis [not further identified] and fulfilling the commitments regarding the Cerro Matoso debt.

Agricultural Sector

Leaving almost finished the rehabilitation works and completing preparation of the land in eight districts which cover 63,700 hectares; financing the second phase of the rehabilitation of seven districts that cover 124,700 hectares, purchasing 11,000 hectares, giving title deeds for 181,000, and donating 31,500 more hectares.

Social Sector

Completing ten hospitals; distributing 355 anesthesiology machines, 297 X-ray machines, 273 operating tables, 357 sterilizing apparatuses, 169 major surgery sets, 341 ambulances, and 102 jeeps. Children in 8 municipalites of Casanare and Uraba in Antioquia are to receive anti-polio injections; 8,680,000 doses of vaccines and 1,750,000 packets of salts for oral dehydration are to be produced.

Education

Building or repairing 1,000 classrooms in 500 schools; training 9,340 teachers; furnishing laboratories for 170 schools; teaching 400,000 Colombians to read and write, and providing grammar school and high school education to adults.

Labor

Training 10,880 small businessmen and giving them lines of credit; organizing 35 small partnerships to provide maintenance to 1,805 km of roads; and expanding the services offered by the Social Security and National Social Welfare Institute.

Justice

Operating the Rodrigo Lara Bonilla Law School; creating regional drug councils; and opening 20 judicial offices and 8 jails.

Indian Development

Creating 11 new reservations and cleaning up 1,000 hectares of Indian reservations. The INCORA [Colombian Agrarian Reform Institute] will provide 35 areas to restructure the reservations in Cauca Department.

Mines and Hydrocarbons

The coffee sector will provide a $55-million loan; production in Cravo Norte will be increased to 150,000 barrels a day; tests of the Zulia River-Covenas oil pipeline will be concluded.

Infrastructure

The plan calls for major progress in terms of generating and supplying electricity, paving, building, and concluding major roads, building floating docks in the country, and the Medellin tunnel and subway.

In conclusion, the program details the way in which progress will be achieved in regional planning and decentralization. Support is to be given to regional corporations, the National Rehabilitation Plan, the Borders Plan, the Rebirth Plan, the Marandua Plan, tourism, housing programs, and the actions carried out by the regional governments.

MONTANARO ON INCIDENT INVOLVING FRG DIPLOMAT

PY290203 Asuncion ULTIMA HORA in Spanish 28 Apr 86 p 10

[Text] Paraguayan Interior and acting Foreign Minister Sabino Augusto Montanaro today said that the presence of FRG diplomat Armin Steuer at the site of certain incidents with the police, during a political rally at the residence of exiled Authentic Radical Liberal Party [PLRA] leader Domingo Laino, was " a new interference in our domestic affairs." Minister Montanaro reported to President Alfredo Stroessner on the events and police repression that occurred in front of the Metropolitan Cathedral after the Mass sponsored by Hospital de Clinicas doctors and personnel, and in front of Laino's house.

The minister said: "As everyone knows, a Mass was held at the cathedral at the request of students and nurses of the Hospital de Clinicas. After the Mass, these people gathered in front of the cathedral and tried to stage a demonstration march to the Heroes' Memorial or some other place. Since the demonstration had not been authorized, and no permission had been requested, any disorderly behavior on the streets had to be controlled and suppressed. These people refused to understand this and when they attacked the police, the officers moved to break up the demonstration. During these incidents we noticed the presence of well-known political leaders of opposition parties. There were others, not politicians or journalists, who were speaking aggressively against the government and the constituted authorities. All this was happening right in front of the cathedral."

He went on to say: "A meeting was held at the residence of an opposition leader at the corner of San Jose and Espana Streets, without any authorization, without any permit, without notifying the authorities. At the end of the meeting the participants again tried to take to the streets and stage a demonstration to the cathedral or another place nearby. The police prevented this demonstration and broke up the march. To do so they did not use means which could have inflicted physical harm, as certain media have reported, but tear gas and water cannons, because it is impossible to believe that peaceful activities can take place amid offensive words, remarks and gestures directed at the authorities."

Asked about the formal protest that the FRG Embassy will submit in view of the repressive actions directed at journalists of the FRG state television, Montanaro said: "Nothing. I have no information about any such protest, but I do know that there were people at these demonstrations claiming to be journalists or embassy officials. One can hardly demand recognition of one's diplomatic status at purely political and partisan activities because this would be a new interference with domestic affairs of the country. Embassy press and cultural attaches have no business getting involved in the domestic affairs of Paraguayan political parties." He also said that the FRG ambassador in Paraguay had not yet asked for a meeting.

DEMONSTRATION SUPPRESSED AT NATIONAL UNIVERSITY

PA290415 Paris AFP in Spanish 0333 GMT 28 Apr 86

[Excerpt] Asuncion, 28 Apr (AFP) -- Six persons were wounded and some 20 were bruised tonight during a new police repression, the seventh in a little over a week, near the School of Law and Social Sciences of the National University of Paraguay. Over 1,000 students went to school as usual today but found the university's doors were locked, while police groups slowly surrounded them and tried to disperse them.

Some university students resisted, and the policemen began to harshly punish them with their electric prods, also beating them and kicking them. A group of about 200 students again managed to group themselves and marched toward the Colorado Party Board offices to protest against Dean Juan Ramon Chaves as well as the president of the government party "for allowing the repression by closing the doors of the university department." Shortly before reaching their destination, they were violently repressed by the police, who finally managed to disperse them, according to the reporters who were at the scene of the violence. One cameraman from Teledifusora Channel 13, who was fiming the disturbances, was violently attacked, wounded in the head, and kicked by some men in uniform, the eyewitnesses said. According to progovernment politicians, who are professors at the School of Law, tonight's disturbances were the most serious since the clashes with the police began.

PAPER CRITICIZES U.S. ENVOY'S 'INTERFERENCE'

PY281701 Asuncion EL DIARIO in Spanish 28 Apr 86 p 10

[Editorial: "Unexplainable Presence"]

[Text] The demonstration staged by the doctors, nurses, and students of the Hospital de Clinicas attracted many onlookers. This was obviously caused by the wide radio coverage it received. However, in addition to the onlookers, there also were some politicians who joined in the demonstration, like hummingbirds drawn by honeysuckles, because an action of this kind is always a good pretext to appear in public and profit by the situation. The reason for the presence of both onlookers and politicians is perfectly understandable. The former wanted to see what was happening and the latter wanted to be seen, in case something happened. Among them, and very close to them, was another person whose presence is much more difficult to justify. The U.S. ambassador came to "observe" how things developed.

Since he arrived in Paraguay, Mr Taylor has disregarded all acceptable diplomatic customs, adopting the attitude of a proconsul and unacceptably overstepping his duties. He has met with all sorts of people, not to strengthen relations between the United States and Paraguay, but to strengthen the position of his interlocutors. This unacceptable meddling in Paraguayan domestic affairs does no honor to the United States, the U.S. Government, or U.S. democracy. Taking advantage of his diplomatic status and his immunity as a foreign representative, he has begun to play the destabilizing agent, like others have very recently done in other countries. And not only is he playing the destabilizing agent, but he is also playing on the side of the sworn enemies of his own country, who have not hesitated to harshly condemn the United States even when what it did was right, as in the case of the attack against Libya.

It is hard to tell the difference between Al-Qadhdhafi, the terrorist, destabilizing enemy of the United States, and Clyde Taylor, because it is not precisely peace, freedom, and democracy that Clyde Taylor has brought to us. Mr Taylor's support for some political groups that have refused to abide by the rules of democracy has placed us in a difficult situation. In fact, we have to strongly criticize an ambassador of the United States, a country that we admire and that we would like to see as an example. It is no longer possible to say that Taylor is unaware of the Paraguayan political situation or that he does not know the people with whom he has sided and whom he has given advice, or perhaps even more than mere advice.

Taylor cannot fail to realize that he has supported those who want to shorten the constitutional terms and establish a transitional government. Taylor must have read the programs and proclamations of those people, and he should already know that it is not precisely freedom that they are advocating. What has induced Ambassador Taylor to act the way he has? What is the objective of those suspicious alliances? What does Taylor believe true Paraguayans are? How long does he believe it is possible to confront the nationalist vocation of true Paraguayans? Is he perhaps seeking to provoke a reaction to incite enmity between Paraguay and the United States? Hasn't he realized that once events gain momentum, it will be difficult to separate the image of Clyde Taylor from that of the United States? Is there an intention of repeating the sad experiences of Cuba and Nicaragua, where U.S. help and covert intervention, instead of strengthening democracy, resulted in notorious failures and in pro-communist beachheads right under the nose of the United States?

Mr Taylor cannot fail to know that Paraguay is a strongly nationalist country, that Asuncion -- and for that matter the entire country -- is the world's cheapest place, and that the people enjoy peace, tranquillity, and security. Yet now, curiously enough, there have been commotions in our streets since Clyde Taylor arrived.

It seems that either Mr Taylor will have to change or he will have to be replaced. There are no other alternatives, because no genuinely Paraguayan citizen will agree to tutelage from anyone, no matter how powerful. It is our independence that is at stake, and this is sacred. Therefore, it would be good for Taylor, who sees himself as all-powerful, to carefully reflect.

ALVA CASTRO CONFIRMS PAYMENTS TO CREDITOR BANKS

PY270346 Madrid EFE in Spanish 0125 GMT 27 Apr 86

[Text] Lima, 26 Apr (EFE) -- Prime Minister and Economy Minister Luis Alva Castro today confirmed the payment of $17 million to the international creditor banks as an amortization on the overdue servicing of the foreign debt. Alva Castro also noted that a payment of $35 million was just made to the IMF as part of overdue interests. In addition, $16 million has been paid to the U.S. Government in order to receive economic and military assistance worth $50 million.

This assistance was suspended in October 1985, when the Brooke-Alexander Amendment was applied to Peru, because the payment was not made. Nevertheless, Alva Castro stated that those payments do not mean that the government has relinquished its decision -- repeatedly expressed -- to allocate just 10 percent of its export revenues to the servicing of its foreign debt of $14 billion. This decision will be maintained in order to be able to meet the national needs and reactivate the Peruvian productive apparatus, Alva Castro stressed. Alva Castro made these statements after meeting with representatives of the country's industrial sectors. He also stated that the April inflation rate will be less than in March, although he did not mention figures.

GARCIA VOWS TO CONTINUE ANTIDRUG FIGHT

PY282107 Lima Television Peruana in Spanish 0100 GMT 27 Apr 86

[Excerpts] President Alan Garcia has held a 2-hour meeting with businessmen at the San Isidro country club, where ministers in the area of production have been meeting with more than 30 businessmen since 0800. After the meeting, the president talked to the press.

[Begin recording] [Unidentified reporter] [Question indistinct]

[Garcia] Well, the situation is complex in Tingo Maria and the Tocache area. As you know, we have dealt severe blows to the drug traffickers and we will continue the fight to eradicate the social scourge of the production and trafficking of drugs. Our country, unlike other countries, will not be dominated by international drug trafficking groups. We took drastic action against these groups and their answer was to ambush a police patrol, causing casualties among our police forces. We will not give up. These actions are their answer to our determination to eradicate drug trafficking from our country. [end recording]

NICARAGUAN OPPOSITION CALLS FOR POLITICAL REFORM

PA221733 Panama City ACAN in Spanish 0310 GMT 22 Apr 86

[Excerpt] Panama City, 21 Apr (ACAN-EFE) -- Any agreement to resolve the Nicaraguan crisis will be incomplete if it only includes a military solution and does not also guarantee a democratic process, political opposition leaders said today. Leaders of five political parties of the Nicaraguan internal opposition began a tour of the Contadora Group countries in Panama today in view of the danger that a military solution in Nicaragua could sideline internal demands. Erick Ramirez, president of the Nicaraguan Social Christian Party, one of the parties most critical of the Sandinist regime, said: "Those of us who are inside must play an important role."

The political leaders met today with President Eric Arturo Delvalle to reiterate the peace offer that was presented on 30 January by six opposition parties, which was officially disregarded by the Sandinist government. Besides a cease-fire, that proposal includes internal policy measures such as a general amnesty, a process of national reconciliation, the abolition of laws that limit the rights of citizens, and the scheduling of a new electoral process. The groups that supported this offer insist that they are seeking "a comprehensive solution" for Nicaragua, according to statements made in a press conference in this capital by Virgilio Godoy, president of the Independent Liberal Party. "We are not only interested in a suspension of the hostilities; we want the necessary conditions for a real democratization process in Nicaragua," Godoy added.

BANKING OFFICIAL REAFFIRMS SECRECY LAWS

PA231402 Panama City STAR AND HERALD in English 23 Apr 86 pp A 1, A 6

[By Mercedes K. Morris]

[Text] Panama is not resisting talks for a cooperation treaty between the U.S. and Panamanian law enforcement authorities to halt drug money laundering, despite a statement by a U.S. Drug Enforcement Administration official to the contrary, Mario De Diego, General Secretary of the Panama Banking Commission, said yesterday. "It is not true that we have backed out of the treaty talks," De Diego said, "as a matter of fact, we have been waiting for a response from the U.S. to continue the negotiations," he added.

The banking industry here is in the midst of national and international scrutiny for the alleged laundering of drug money facilitated by the tight bank secrecy laws. But, De Diego stressed, precisely these laws have permitted Panama to become the financial center it is "and we will not permit the imposition of ambiguous or light requests of cooperation" which will force the lifting of bank secrecy laws." [quotation marks as published] "We will not loosen the bank secrecy laws, under any circumstances," De Diego stressed yesterday, contradicting statements in early February where he left open the possibility of investigating "proven criminal causes" through local authorities, but maintaining confidentiality.

U.S. officials appearing before a Senate Foreign Relations Committee said that more than $600 million were laundered yearly in Panamanian banks, and that the sum was increasing. De Diego said that active funds in Panama banks did not increase significantly 1984 to 1985, ignoring the official late February report issued by his own organization, Panama Banking Commission. The report held that bank deposits increased by $1.64 billion in Panama in 1985.

"We are aware of and deeply troubled by persistent rumors of corrupt official involvement of Panamanians in drug trafficking," Elliott Abrams, Assistant Secretary of State for Inter-American Affairs said in a REUTERS news article published yesterday. According to the article, Ray McKimmon, a Drug Enforcement Administration official, said that the U.S. had been unsuccessful in getting Panama to schedule new talks. U.S. Republican Senator, Jesse Helms used information of this sort from Panama "with political intentions and a great deal of speculation," De Diego stressed, explaining that Panama is willing to negotiate a mutual cooperation treaty if a 2-way flow of information is maintained. Panama would also "reserve rights to judge the cooperation requests" and whether proof of undeniable connections to drug traffic exists. But, De Diego maintained throughout the interview, Panama will not lift bank secrecy laws.

A recent Wall Street Journal article quoted Panamanian Bankers' Association President Paul Smith Alegre as saying that Panama is a "tropical paradise for wheelin' and dealin'." While he didn't deny the quote, Smith Alegre said that his statement had been pulled out of context. "I meant that it was deplorable that Panama had this situation, and the reporter made it sound as if I thought the situation was admirable." Smith Alegre also explained that he was referring only to the case of alleged Panamanian money-launderer Steven Samos, and not to the alleged drug traffic and money-laundering connections of local banking.

DEA, IMF Pursue Corruption

PA241916 Panama City QUIUBO in Spanish 24 Apr-1 May 86 p 5

[By Wilfi Jimenez]

[Text] The investigations about the drug trafficking and the laundering of dollars from drug trafficking carried out in Panama could take a new turn of great impact with the alleged "legal agreement" made by the DEA with Colonel Julian Melo, former secretary of the Panamanian Defense Forces [FDP] General Staff, who will become a "witness for the state" and reveal everything he knows about this dirty business. This fact, added to the IMF demands for Delvalle's government to purge the "corrupt elements" at the highest levels, could accelerate the cabinet and military crisis that has been mentioned since the beginning of this month. It has been said that this measure is "absolutely necessary" for the approval to refinance the foreign debt and for the "fresh funds" loans needed to face the state's lack of liquidity.

QUIUBO has learned from government sources who asked not to be identified that the negotiations with the IMF and the World Bank are "slow" because of the demands from these organizations for a "clean-up of the government" with the removal of the corrupt military officers and civilians reportedly involved with drug trafficking and money laundering. The requests from the international banking institutions are encompassed in a new package presented to Delvalle's government, which establishes the austerity measures in public expenditures and the correct handling of them, to avoid the "proven and increasing government embezzlement."

According to the mentioned sources, the international bank officials are "very much concerned" about the open statements regarding the "alleged official participation" in the drug trafficking and money laundering by the regime's officials, and also about the escalation of the violence of the Colombian and Bolivian mafia gangs against Panamanians.

"The struggle among drug trafficking gangs in Panama has been like those on the television show 'Miami Vice,' with kidnappings and dreadful shootings, and no one can understand how this could happen in a country with strong police control." A foreign press correspondent who covered the kidnappings of the relatives of the pilots Teofilo Watson and Floyd Carlton by a Colombian gang -- which was inexplicably expatriated despite evidence that the gang perpetrated serious crimes against Panamanians -- said: "The least they could do is turn a blind eye."

It seems that the dossier in the hands of the IMF regarding corruption in the official sector in Panama gives overwhelming proof and could mean even more with testimony by Col Julian Melo, who could provide new implications of armed forces involvement. It has been said that when the former colonel made his agreement with the DEA to become a "witness for the state" he provided new proof of the participation of the armed forces in the drug trafficking in exchange for his "immunity" from further charges on him. Our source gave assurances that within the FDP, the intermediate command members are on "alert" and following closely the development of the events, expressing their points of view at the meetings, parallel to the General Staff meetings.

Meanwhile, in Washington, the Senate has been meeting with Elliott Abrams, assistant secretary of state for inter-American affairs, to learn about the current events in Panama. Abrams has been asked questions about the current democratic status of Delvalle's government, the role of the military in the murder of Hugo Spadafora and the "trafficking of drugs" through out country. In these meetings, chaired by Senator Jesse Helms, DEA agents, customs officials and some other FBI "key witnesses" are also participating. It is expected that the drug trafficking problem could "burst" by the middle of May, and significant changes are expected among the high-ranking officers and civilians in the regime, in response to the new outbreak in the struggle against drug traffickers that the government of President Reagan maintains, and that now has the unrestricted support of a large part of the Panamanian governmental sector.

Esquivel Protests Allegations

PA282209 Panama City Circuito RPC Television in Spanish 1730 GMT 28 Apr 86

[Text] Panamanian Vice President Roderick Esquivel has reiterated that some Panamanians want to destroy the democratic transition with methods that go against the homeland. Here is an excerpt of his statements:

[Begin recording] For a long time, we have (?observed) that there is an organized group of Panamanians -- whom I cannot identify at present -- who have been putting the name of Panama to shame and hampering the country's process of democratic transition to an all-civilian government. We have seen what they did to the previous president. They opposed every change and adjustment that would have given an institutionalized orientation to the civilian government with assistance from the Defense Forces. They censured the government and charged it with fraud. They demoralized the president and organized groups to deride him wherever he went. They are continuing the same task at present. This time, however, they stand directly against the homeland by publishing reports in the newspapers saying that Panama is a drug trafficking and corruption center.

This is a crime against the homeland. Sometimes I thank God I have no power to punish the people who harm the homeland like this. In addition to this, however, these Panamanians use their influence and knowledge of English to rub shoulders with U.S. senators and journalists and prevent Panama from solving its fiscal problems and devoting efforts to social problems. [end recording]

MATUTINO CALLS FOR PUNISHMENT OF PLOTTERS

PA262153 Panama City MATUTINO in Spanish 26 Apr 86 p 4 A

[Editorial: "The Lieutenants' Declaration"]

[Text] At the end of an overall training exercise carried out in the 15th Training Seminar, 120 lieutenants of our Defense Forces felt that they had to report to the country the certainty they have about the existence of a plot against Panama, promoted by certain politicians who want to seize power at any expense, because to them, the importance of their goals justifies the use of any means.

According to the report, what is involved is a seditious action organized here, financed both inside and outside the country, and carried out by anti-Panamanians united in their gloomy task with people abroad who are interested in preventing Panama from making its dreams come true concerning the turnover of the canal at the end of the century. It also involves discrediting the nation's top civilian and military institutions.

The serious charge, a significant threat to the country's stability and the maintenance of peace, was backed by General Manuel Antonio Noriega, commander in chief of the National Defense Forces, and delivered to President Eric Arturo Delvalle and endorsed, in substance, by Foreign Minister Jorge Abadia.

There are two sides for the people of this country to consider, each of them in extreme opposition to the other: first, we have the slanderous campaign organized by members of the anti-Panamanian plot who are offending every day, discrediting every hour, and reporting every minute, in their own way, actions which they claim were committed by the highest representatives of the civilian government of our country and ranking military officers. On the other side we have, in their convincing seriousness, documents that the government has which contain the U.S. State Department's objective, official, and final opinion, following the thorough analysis that always precedes these opinions regarding our country, on such problems as the struggle against drug trafficking, the freedom of expression, the murder of Dr Hugo Spadafora, and the resignation of Dr. Nicolas Ardito Barletta from the presidency.

There can be no doubt regarding the value of these official declarations which bear the signature of Elliott Abrams, assistant secretary of state for inter-American Affairs. Much less so when these documents are accessible to anyone who is interested in examining and analyzing them. Contrastingly, there are the dirty lies, the low demonstration of an anti-Panamanian feeling, and the stinking slanderous statements they have been publishing in their newspapers, especially in that newspaper which, in a serious offense to this profession, boldly calls itself LA PRENSA.

In view of such irrefutable evidence, what they are doing is simply slandering and attacking the country's security. There can be no other alternative for the state organization than mercilessly applying the law to those who are directly and indirectly responsible for the reported plot, which rightfully concerned those who presented the "Declaration of the Lieutenants" to our Panama.

COSTA RICA

PRESIDENT-ELECT ARIAS MEETS WITH HABIB

PA281804 San Jose Radio Reloj in Spanish 1330 GMT 27 Apr 86

[Text] President-elect Oscar Arias and Philip Habib, Reagan's special envoy for Central America, met yesterday for approximately 2 hours. At the end of the meeting journalists were unable to speak with the special U.S. ambassador. However, they obtained a statement from Oscar Arias, who said that the conversation with Habib was very cordial and one in which there was clear understanding. The future president expressed satisfaction with the U.S. envoy's understanding, and he described Habib as an excellent diplomat.

According to the president-elect, positive agreements were reached yesterday with Reagan's envoy. Arias said they discussed the Central American crisis and the positive attitude of the Central American rulers with whom Mr Habib has already spoken. Arias said that Costa Rica has expressed to the U.S. representative its decision to continue supporting the dialogue for peace instead of force. Arias said that the United States, through its envoy, has reiterated its willingness to continue to seek the best formula to resolve the Central American problem.

GUTIERREZ ON BORDER INCIDENTS, INVOKING TIAR

PA282229 San Jose Radio Impacto in Spanish 1830 GMT 28 Apr 86

[Text] Last week the Foreign Ministry sent two letters of protest to the Nicaraguan Government for two violations of our territory in April. The EPS has attacked our country on more than 60 occasions, and Costa Rica has reacted only with letters of protest. On the likelihood of implementing the TIAR [Inter-American Reciprocal Assistance Treaty], Foreign Minister Carlos Jose Gutierrez has said:

[Begin recording] The problem with the TIAR is that it demands a true, immediate, and effective aggression. Border incidents are not enough to request the implementation of the TIAR. For that reason, during the time I have been minister of foreign relations I thought that if I went before the OAS to request that the TIAR be implemented, I would not be able to convince the majority, not a simple majority but a two-thirds majority, to implement that treaty. What will happen next? Well, that will no longer be within my purview. [end recording]

BORDER POST CREATED TO PREVENT INCURSIONS

PA280443 San Jose LA PRENSA LIBRE in Spanish 21 Apr 86 p 9

[Text] Police Director Colonel Oscar Vidal has reported that Security Minister Benjamin Piza ordered a Civil Guard advance post installed in the Las Tablillas de los Chiles area to prevent incursions by Sandinist militiamen.

Reports issued by the police patrol sent to the area to investigate Wednesday's incident, when a militia patrol was caught inside national territory, confirmed that these groups enter our territory very frequently.

According to Col Vidal, the Civil Guard has received reports from one of its members that the Sandinists frequently enter as far as the ranch of Gregorio Garcia and Ana Navarro to buy certain items, but above all to obtain information on the possible presence of rebels in the area.

Although these reports were received some weeks ago, it had not been possible for our authorities to catch the Sandinists red-handed.

It wasn't until approximately 1750 Wednesday that a patrol in the area noticed that a group of militiamen were at the house of the Garcia Navarro family. They then decided to encircle them and take them by surprise. However, at that moment one of the Sandinists saw the civil guardsmen, and he shouted to alert his companions, who fled immediately.

ARIAS' STATEMENTS ON LIBYA ATTACK CRITICIZED

PA262300 San Jose LA NACION in Spanish 18 Apr 86 p 14 A

[Editorial: "Three Setbacks"]

[Text] On three occasions, from 2 February to 8 May, the president-elect has been unable to successfully answer, from the point of view of national interests, newsmen's questions or he has formulated initiatives which at the time of his taking a definite stand have been unsuitable.

His wish to establish his offices at the building that now houses the Mexican Embassy in Costa Rica and to have the attorney general of the Republic and the Ministry of Planning at the National Insurance Institute at what would reportedly be the headquarters of his general staff was only a temporary illusion. As soon as this was proposed, its inapplicability was obvious, which shows that desire prevailed over analysis or planning.

Likewise, the president-elect's criticism of President Reagan's decision to finance the anti-Sandinists was also unfortunate. If in this case Dr Oscar Arias proceeded according to his convictions, he did not measure the repercussions of his words. His tone -- "if I were Reagan" -- was contradictory -- for it meant his intervention in the internal affairs of another nation -- and the content of his words lacked the basic element: the sense of the timeliness. These opinions, expressed precisely when the U.S. Senate was discussing the request of President Reagan, whose deference to Costa Rica admits no doubts, were inopportune and rude.

Now, from exuberant Brazil, the president-elect has censured the U.S. action against Libyan terrorism. With this, once again, he is sincere but inopportune.

This sincerity should, with everything else, be examined, because for it to be a virtue and not thoughtlessness it should be adjusted to the facts and to his status as president-elect; that is a citizen who, in an eminent position, when giving an opinion on a specific international affair does not just unburden himself, but seeks to interpret the thoughts of Costa Ricans. The president cannot free himself, by his acts or his words, from his commitment.

The statements by the president-elect contrast with the moderate judgements of the president of the Republic on similar occasions, with the diaphanous opinions of Fernando Volio, or those by the president of the Assembly, all of whom have seen the subject of terrorism and response in their correct perspective: the application of the right of legitimate defense within the juridical and moral context. Dr Oscar Arias' version is more in line with Socialist International's "principles," based on their anti-U.S. vision of history and on the insistent clamor for peace and negotiation with the enemies of mankind, without any bases or awareness of the nuances involved. After all, the true feelings of the Costa Rican people are peaceful, which does not imply that they are against the right of legitimate defense or the right to exericse it, which in this case was guaranteed by Article 51 of the UN Charter, and for primary survival reasons cannot be compared to violence. Comparing Al-Qadhdhafi's violence to the violence of self-defense or to attacking terrorism is being excessively naive or misreading what is happening in the world.

These facts, which reveal a tendency, demonstrate the need for the president-elect to clearly enunciate the guidelines of his foreign policy, which, judging from his statements, differs from the style of Mr Luis Alberto Monge, who is more aware of Costa Ricans' thoughts, even if he sometimes has to give in on some plan. But he does not add his voice to choruses or styles foreign to our way of thinking.

EL SALVADOR

COURT REVIEWING KIDNAPPING SUSPECTS' CASES

PA281819 San Salvador LA PRENSA GRAFICA in Spanish 26 Apr 86 pp 2, 19

[Text] Yesterday the National Police sent to the Second Military Arraigning Court the [records of] the extrajudicial proceedings instituted against three people implicated in kidnappings.

The judge, Rene Melara Baquero, received the records of the National Police against Colonel Joaquin Zacapa, Antonio Cornejo Arango, and Edgar Minado, retired national policeman, in the presence of the four special prosecutors accredited by the Attorney General's Office to sit in the case.

It was also learned from sources of the arraigning court that other military men involved in the crimes are Colonel Roberto Estaben and Major Jose Alfredo Jimenez, who, according to official sources, are under administrative arrest.

The judicial sources added that these military men have been publicly identified as being involved in the kidnappings of well-known members of Salvadoran society.

The sources said also that the mere fact that they were identified by farmer Luis Rolando Rivera Valdes and Lieutenant Rodolfo Isidro Lopez Sibrian, retired, in their depositions is sufficient reason to conduct an in-depth investigation and to bind them over to the pertinent court. The sources did not rule out the possibility that the military men may still be bound over to a pertinent court at any time.

Finally, it was reported that Rivera Valdes and Lopez Sibrian have been taken to the Western Penitentiary in Santa Ana under heavy guard.

TELECOMMUNICATIONS WORKERS SUSPEND STRIKE

PA272317 Panama City ACAN in Spanish 2132 GMT 27 Apr 86

[Excerpts] San Salvador, 27 Apr (ACAN-EFE) -- Labor leaders announced today that telecommunications workers have temporarily suspended their 2-week-old strike in order to seek a solution to the labor conflict. In a communique the Salvadoran Association of Telecommunications Workers (ASTTEL) said that the decision to suspend the strike is "a good-will gesture" to begin serious and honest negotiations to find a solution to the current labor conflict." [quotation marks as received]

The ASTTEL workers maintain that the agreement to suspend the strike "does not reflect a weakening of our just struggle; on the contrary, it reflects the workers' willingness to seek a democratic solution to the conflict, which affects all Salvadorans." The ASTTEL leaders said that if no settlement is reached in the next few days, they will stage a general nationwide strike on Tuesday.

GUATEMALA

VENCEREMOS REPORTS RECENT URNG ACTIONS

PA282004 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 Apr 86

[Text] We now present [words indistinct] guerrilla actions of the Guatemalan URNG. Reports from Guatemala indicate that on 19 April [words indistinct] guerrillas of the Raul Arante Front seized control of a stretch of highway between Las Flores and [name indistinct], at Km 45.

At 1500 on 20 April a guerrilla unit of the Feliciano Argueta Roger Column of the Tecum Uman Front took over [name indistinct], in Patzun municipality, Chimaltenango Department. [Words indistinct] another takeover was staged on the same day in Santa Barbara municipality. It was at Mi Puera Farm.

Reports from Guatemala indicate that at 1500 on 21 April guerrilla units of the URNG occupied La Bega Farm, in Xicacao, Suchitepequez Department. On that same day in Xicacao municipality the La Providencia, El Cafetal, and San Joaquin Farms were also taken over.

On 20 April units of the Organization of the People in Arms, ORPA, harassed the military detachment posted at El Porvenir Farm, in San Pablo municipality, in San Marcos. The number of casualties sustained by the enemy was not reported.

[Words indistinct] our brothers of the URNG who struggle incessantly against the regime of poverty and oppression.

BRIEFS

NEW AMBASSADOR TO EL SALVADOR - The Foreign Ministry has officially reported that Carlos Armando Moreira Lopez has been appointed ambassador to El Salvador. He will be sworn in next week and will leave for El Salvador immediately. [Summary] [Guatemala City PRENSA LIBRE in Spanish 27 Apr 86 p 9 PA]

CARRION REASSERTS FSLN LINE AT UNAG CONGRESS

PA261414 Managua Domestic Service in Spanish 0300 GMT 26 Apr 86

[Text] Inaugurating the first Olof Palme UNAG [National Union of Farmers and Cattlemen] Congress, Commander of the Revolution Luis Carrion Cruz, deputy interior minister, has said that the U.S. leaders will never make us stray from the revolutionary path chosen by the people, regardless of the dollars and weapons they may give to the Somozist mercenary bands.

Let us hear a part of his speech:

[Begin recording, in progress] ...cowardly and cynical against the courageous Libyan people and his firm campaign to obtain the support of the U.S. Congress in his policy of aggression against Nicaragua, and give way to an ever greater escalation to show that U.S. imperialism will not stop in its attempts to subdue the free peoples of the earth by force. But these same imperialist aggressions also show that its military might, regardless of how big it is, is not enough to crush the indomitable will of a people who have decided to defend their independence and liberty. The U.S. dollars and the U.S. weapons have served to assassinate thousands of Nicaraguans and mutilate many others. They have prompted the destruction of the projects built through the people's sweat and sacrifice. They have served to increase the poverty and material difficulties of all Nicaraguans. They have served to spread tears and grief, but these dollars and weapons have not served and will never serve to make us stray from the revolutionary path we have chosen, to make us accept humiliating imperialist impositions, and to make us betray the people's hopes. They will never serve to make us stop being Sandinists firmly committed to our slogan: Free Fatherland or Death! [end recording]

Ortega Speaks To Congress

PA270413 Managua Domestic Service in Spanish 0159 GMT 27 Apr 86

["Face the People" program by President Daniel Ortega, at the first Olaf Palme UNAG Congress in Managua on 26 April -- live, broadcast in progress]

[Text] ...quickly in the air transportation, and we have great limitations in the air transportation sector in maintaining constant communication with the Special Zone No. 1.

Given that we have counterrevolutionary activities there, the Micoin [Interior Trade Ministry] and other institutions have organized large caravans of 30-40 vehicles, which leave with military protection to take some products to the mines, and to take some products from the mines to Puerto Cabezas. Other products are taken from Puerto Cabezas to the banks along the Coco River, where we have population -- the Miskito population which has returned to the Coco River.

Referring to the programs for Special Zone No. 2, which has no roads.... [corrects himself] We have a natural road, the river, but this is not enough, and we must exert ourselves using the river and the airplanes. We do not have many airplanes; in fact, we have only a few airplanes. Therefore, the transportation ministry must constantly rationalize its few resources, keeping these special zones in mind -- Special Zones Nos. 1 and 2.

Regarding Special Zone 3, well, we are advancing in the solution of the transportation problem, the highways, all the access roads, because this highway between Acoyapa and San Carlos is a strategic highway. It is necessary to maintain it open in summer and winter; we must fully complete its construction. Thus, the companeros have come out through the roads, too. The lake is a natural highway, an enormous natural highway we have there, but there are not enough transportation resources to use this natural highway. In addition, this is more slow and takes up more time.

Anyway, the Transportation Ministry has been building some boats with international cooperation; they are used to communicate with Special Zone 1, meaning San Carlos, with the Pacific zone in Nicaragua. We already know how much air transportation costs; it is quite expensive. It is important, companeros, that the ministries involved in all the transportation activities, and the supply activities, maintain a better communication with you because it has been clearly ascertained that these three special zones still lack enough communication.

How is it possible that a delegation of companeros arrived.... [changes thought] A large government delegation recently went to Special Zone 1. All the ministries sent a representative up to the Coco River; they went to Puerto Cabezas, the mines, and this involved a decided effort to achieve a goal in the zone by solving the most urgent problems. Well, the companeros arrived and no one talked about the salt problem; or else, the salt problem was mentioned but went unheard. What could have happened there? So, we have a problem; there is not enough communication, there is very little communication and we must overcome this problem.

The people have to continue with their demands because... [changes thought] you do not request, you demand, you do not request. Why? Because we are workers at the service of the peasants and the workers. Thus, the peasants and workers must demand that these workers... [changes thought] the ministers because you are the bosses here, and we are your workers. [applause]

Consequently, we will now continue with the companeros from the zone which has been most affected by the war. It is one of the zones most affected by the war -- because we have many zones affected by the war. Anyway, Special Zone 1 is one of the zones most affected by the war; this includes Nueva Segovia, Esteli, Somoto, and Madriz.

[At 0204 GMT the station ends coverage of Ortega speech, returning to regular programming. Resumption of coverage of Ortega speech begins, in progress, at 0521 GMT.]

....discussed this one day at the National Planning Council. We were discussing the economic problems and said, well, the workers, peasants, and industrial workers have been living on the same salaries. We talked about distributing the crisis, we talked about distributing the crisis [repeats himself]. What does this mean? It means that the producers must also understand that we are facing a difficult situation, and they must share the crisis. Therefore, a producer cannot expect an acceptable profit in times of crisis; he cannot even expect a barely acceptable profit. He should expect to come out more or less even; maintaining production levels represents a success in itself. He should seek to continue tilling the land and guaranteeing the minimum production of resources, because this is a success within the situation of crisis which prevails in Nicaragua.

Consequently, if we are going to act with justice, we must seek ways of distributing the effects of the crisis... [corrects himself] the negative effects which are provoked by the crisis.

This affects, above all, the workers in the city and the countryside, because the workers in the city and the countryside depend on their work, salary, and the purchasing capacity of their salary. The producers -- either on small-, medium-, or large-scale -- have the possibility of surviving on their own territory or plot of land by sowing once more so that they at least have beans for their own consumption. The workers in the city do not have this opportunity; they depend on another type of relation.

Therefore, this problem of prices and credits -- because we cannot separate one thing from the other -- has been discussed many times with the banks. You are right, you need the money to produce; however, we must base our plans on production costs which are closer to the truth, so that do not seek to obtain big profits. This must be done according to the reality which prevails in the country. So the credits supplied by the banks -- and this is part of the effort exerted by the working people, peasants, because they are the fundamental force in the country -- should help you produce; however, it must also guarantee -- and this is important and must be known by all the peasants in the country -- that the product will be sold through the official channels.

We were also discussing, at the National Planning Council, the need to link closely the credit policy to the pledge of delivering a specific quota of the production to Micoin [Ministry of Domestic Trade]. This has been done with certain products, but it is not being done as it should; we cannot say it is being done as it should. What would be the ideal thing? That the bank gives to the producer the producer gives to Micoin, and Micoin sells the product to the workers at a reasonable price. If we do not do this, Micoin will not be able to get the product; thus, the workers will have to go and buy the product on the black market. Consequently, the peasants' role would not be matching the workers' role, in either the city or the countryside.

We have workers in the city producing shoes and food which is sent to the countryside -- such as cooking oil and soap. The workers in the city have no possibility of speculating on the products like the producers do in the countryside. So everyone must adopt the appropriate attitude. You, who are peasant leaders in your respective regions and zones, must make sure everyone is aware of this so that the peasants value their credit even more and understand the situation of crisis, restrictions, and limitations. After all, the possibility of obtaining credit is not determined by the bank, although the bank could rationalize this because 10 million-15 million [no currency specified] are handled by the regional and zonal commissions.

However, all this is not the most important factor. We have an even greater problem in our economy, and this is not solved with cordobas; you know this perfectly well. The workers, as we have explained, do not want the problem solved with their salaries, because they know that no problem can be solved with their salaries. We have been exerting ourselves to bring certain products to the workers in the city and the countryside; and some peasants bring certain products at a fixed price. That is how we have been exerting ourselves, and we will continue to exert ourselves.

Of course, we also have the supply problem, because the supply problem is closely linked to the country's production capabilities, and we have limitations in the production sector. As you know, there is demand for transportation, raw materials, and maintenance of roads and highways; everything is linked with the production sector. If the government's measures do not manage to fulfill these demands, then production will be affected, production will be affected [repeats himself]. What does this mean? It means that production will be restricted, limited.

Consequently, it is important to rationalize production. We said: We have land, we have men willing to till that land, and we have men who are tilling that land. So we must exert ourselves to bring these men, first of all, first of all [repeats himself] the raw materials, spare parts, and work tools they need. We can give them the credit, or we can give them the money, but if the work tools are not brought to them, the money would be useless. They will produce nothing.

We will produce nothing with money [billetes]. Therefore, we must concentrate our efforts in that direction. When we speak of reducing the cotton production area it is only to guarantee that work tool. We gain nothing by badly sowing 150,000 manzanas when we can do it properly if we use 110,000 manzanas. But, as the companero mentioned, we must produce based on the idea of productivity. We must put forth efforts to improve productivity in all areas of production.

The food problem can be quickly resolved in the rural areas; it can be resolved by the peasants. The peasant has a piece of land to plant coffee, or he may have some cattle. On that piece of land he can plant some beans, corn; even if the land is not very productive, he can get some corn and beans out of it. He can even plant his own vegetables, and his food supply is guaranteed. We must try to get all the Nicaraguan peasants to plant the beans and corn they need for their personal use. By doing this, they will not have to depend on Micoin to supply them with beans and corn. It is a necessary effort. There is no other solution to the problem. As Companero Cabrales [Ramon Cabrales, domestic trade minister] already explained, Micoin cannot resolve that problem. That problem can only be resolved with the production of food. Micoin can supply the rice, machetes, and other work tools; Micoin can and must contribute to this, but it is up to the peasant to make an effort and produce the basic foodstuffs. He must plant those basic grains, and by doing this he resolves the problem of basic grains.

The companeros of Region 1 brought up the issue of the seventh anniversary. We have heard their views on several occasions. Their request for Region 1 to host the seventh anniversary celebrations has been welcomed by the National Directorate and the revolutionary government. Region 1 is, at this moment, the best candidate to host the seventh anniversary. Region 1 is undoubtedly a region that has put forth a great effort for the defense of the revolution. This region played a very important role in the struggle against the Somozist dictatorship; the region, Esteli, was full of the fighting spirit. We are also aware of the fact that following the triumph of the revolution the enemy has made attempts to establish himself in Region 1 and that he has been defeated by the Nicaraguan people who live in Region 1. Therefore, we are considering Region 1 as one of our choices for hosting the seventh anniversary celebrations.

There are other matters we wanted to discuss. You probably discussed the issue of land at length this morning with Companero Jaime Wheelock. As we have already said, we want every peasant in Nicaragua to have his piece of land to till. Our agrarian reform policy is to get land for the peasants, and this land must come from somewhere. Our first choice is to affect state-owned lands; idle land is also affected, whether these are privately or state-owned lands. We have found land that was idle; cases in which a company did not have enough manpower to work the land and is only working part of the land. We have also found small, medium, and large producers who have idle or abandoned lands. There are many cases of people who live in the city and leave their land idle and abandoned. This idle land is the first to be affected. For what purpose? To be distributed among those peasants who do want to work the land.

Second on the list to be affected are some productive enterprises. These are enterprises that are producing, but there are times when it becomes necessary to affect these enterprises, privately or state-owned, in order to resolve a social problem. In these cases, the affected people must be understanding. We have experienced several explosive situations, and we were forced to affect an efficient producer, or owner, in order to resolve a social problem -- 500 or 600 peasants, 600 families pressuring to get the land, a historic pressure for the land. We find such cases mostly on the Pacific coast. There is a heavy demand for land on the Pacific coast and in some northern areas of the country.

The aggression and the problem of displaced people has also created problems as far as availability of land is concerned. Why? You all know, especially the companeros who live in Special Zone 3 and Region 6, that some areas have become areas for military confrontation. Those areas have been abandoned as far as production is concerned. There were peasants in those areas who had 50 or 100 manzanas. We once met in Matagalpa with producers who had 300 or 500 manzanas in the Jinotega area. They were forced to abandon their land because the counterrevolutionaries would raid, burn their property, kill their cattle, and even threaten them and force them to abandon their property. Well, we had to find a solution to this problem. And these were not one or two peasants, but hundreds of peasant families. When social problems such as these arise, someone has to be affected; the state, idle land, and even privately or state owned productive land.

So long as we continue to experience this situation of aggression, we will also continue to experience tension brought on by the war for land. There are historic tensions. For many years, the peasants have been struggling for land. These historic tensions must be resolved. There are also tensions for land caused by the war. If we did not have a war we would not have those great pressures, the pressures that the peasant population in the northern area of Nicaragua is experiencing. This problem is also experienced in Region 5 and in Special Zone 3. The people are moving into certain areas while much land remains idle.

When we defeat the aggression, we recover those lands. A companero here explained how they were able to pick 47,000 quintals of coffee in an area where in the past harvest no coffee was picked. We are recovering land from the enemy and this is land for production.

It is necessary that you continue to insist on the fact that the revolution wants to ensure land ownership for the small and medium producer. The large producer already has land. Our policy has never been aimed at ending land ownership; the revolution is not interested in ending land ownership. You have very clear examples of this.

We implemented a policy to recover state-owned land. To do this it was necessary to recover the lands owned by Somoza and the Somozists. These lands had to be turned into big enterprises. However, it was never our policy to affect idle or productive land with the idea of expanding state-owned property. No, that is not our policy. You have seen how the land that has been affected has been distributed among peasants who wish to establish a cooperative, peasants who need the land. Then we see that a farm is worked by tens of peasant families.

We are making more and more peasants land owners. They receive their land, their title, and their rifle to defend the land. These peasants face their problems with the banks, Proagro [National Agricultural and Livestock Products Enterprise], and with Micoin, in order to get their supplies to be able to work the land efficiently. The tendency of the revolution is not to expand state-owned property.

Quite the contrary, many state-owned enterprises have also been distributed among the peasants. Much state-owned land has been given to the peasants.

You have emphasized the problem of cattle raising. You have the right. This cattle raising problem has been brought up in all the rural areas, productive areas. What is happening? We have not been able to adjust, develop, or establish an appropriate policy. We have not been lucky in this yet. This problem has also been raised by UNAG when the organization had joined our debates on the cattle raising policy. The truth is that our cattle raising sector is a depressed sector. Depressed as far as its possibilities for development. Consumption increases despite the price of meat, consumption continues to increase.

We also face the problem of the clandestine slaughter. There is too much clandestine slaughter going on. Therefore, we will bring this issue before the National Planning Council and we are going to promote a more direct participation on the part of UNAG. Perhaps not in a document or statement, but through an assembly with the cattle sector, the Agricultural Development Ministry, the bank, and the president.

At this assembly we will discuss a cattle raising policy and develop a strategy. The cattle sector has also enjoyed the dollar incentive plan, and this dollar incentive plan that has represented an increase in production in other areas has not proven positive in the case of cattle raising. The dollar incentive plan has been very effective in other areas. Therefore, we must carefully study the problem of the cattle sector. It is also true that when the revolution triumphed we reached a cattle sector that was already experiencing problems. We received a herd that had been looted and later experienced problems. We received a herd that had been looted and later experienced an expansion of meat consumption. This consumption had its toll on our cattle sector.

The war itself imposes a rate of consumption that we cannot control. Our fighters in the mountains buy cattle to feed themselves. We cannot even count those cattle because eating is a necessity. It is a difficult problem to resolve but it has to be discussed at length, and carefully, with the direct participation of our UNAG companeros. UNAG is involved in production and cattle raising.

I wish to remind the Region 3 companeros of the Ticuantepe commitment. I wish to remind you of what Companero Emilio said about the roof. When we visited Ticuantepe we met with the producers in that region. They brought up the problem they are having with the gases from the volcano; gases that damaged their homes and roofs. In this case we must think in the terms of relocation for these companeros. We told them that we would increase their quota, however, we would not be able to give them the full quota they were asking for the reasons that Companero Baltodano [Emilio Baltodano, Nicaraguan industry minister] already explained. However, we did tell them that their quota would be increased.

Why did we give the residents of Ticuantepe a positive answer? Because Ticuantepe is a rural production area. Rural production areas surround Managua. These areas have roads because they are located around Managua, but these areas experience the same problems experienced by the rural areas in Matagalpa and Jinotega. These areas all have problems with roads, water, and electricity; all the same problems. For this reason, we have implemented a policy and have stated that rural production is a priority. These areas will be the first to receive what they need so they will be able to guarantee their production and their minimum standard of living. We have placed their needs above those of the people who live in the cities. There have been times when we have promised a zinc or [word indistinct] roof to some area in Managua when we receive word from Region 6 stating that they need this product.

In those cases the product will be sent to Region 6. Why? Because Region 6 is one of our priorities. It is true that the Pacific area of the country is facing some problems, however, it is not as bad as the problems faced by those other areas that also find themselves under the direct pressure of a war. This situation is experienced in Special Zone 1, Region 2, Region 6, and others.

Therefore, the rural areas are a priority. The rural areas come first. The agricultural productive sectors come first. If we must choose between giving tires, supplies, spare parts, and screws to the people who live in the cities or sending this to the rural areas, then it will go to the rural areas. Since our supply is limited, we cannot cover all the needs of the rural area at the same time. Therefore, we can only offer on a planned basis; we have to decide whether the product goes to Region 6, Region 1, or Special Zone 1. Despite this, we find ourselves having big supply problems.

However, it is necessary to understand that we are facing the supply problem in a rational manner. What other solution to this problem can there be? There are some who complain and criticize because in Nicaragua we use a ration card, because certain products are rationed. They do not think this is correct. What other alternative do we have? The one other countries have adopted? Put everything on the free market? If you can afford it you can buy it, but if you are poor you just cannot buy it.

What we are doing is protecting the working class, we are protecting the peasant. We are guaranteeing them a product they need at a price established by Micoin or by Proagro. This is what we are doing. We offer a product at a certain price and it is included in a list. You may not be able to get all you want but you will get what we can offer. At least you are sure that you can get certain products. Can there be another solution to this problem? Perhaps putting everything on the free market. What would happen if Proagro or Micoin did not establish a price on these products? Three or four people would horde the products and the rest of the peasant population could go to the devil.

This was the situation in the past. In the past did they ever worry about the peasants having their products? Did they ever worry to make sure that the peasants got what they needed? Only the people who had the money could buy the products. The peasants did not even have their own land. Or did you? How many of you lost your land? What? There was no assurance that the land was yours. Did the banks take your land? How did a bank act in the past? What would happen if you did not meet your bank payments? What would happen to your land?

Today you still complain about the banks but if you do not make your bank payments, the bank will not take your land. It will not take your land. [applause] However, we must make an effort to meet our bank payments. The same money you use to pay is the same money the bank lends. In the past there were no guarantees, the peasant had no guarantees. He was simply ousted from his land. Or a Somozist colonel would come along, like your land and just take it. And that was it. Many peasants lost their land in this manner.

We have also heard a suggestion to declare a Day of the Peasant. This day would be in honor of a peasant leader, Bernardino Diaz. Would this by UNAG Day or the Day of the Peasant? [people's answer indistinct] That would be on 3 September? Well, Companero Daniel Nunez will have to present this before the Constituent National Assembly. Companero Daniel Nunez will have to present this before the Constituent National Assembly so that 3 September may be declared as the official Day of the Peasant in honor of Bernardino Diaz Ochoa.

We have heard the greetings, the statements of the foreign guests who were invited to this UNAG congress. We thank them for their words and we thank them, above all, for their presence in our country. They have come from afar: Canada, Czechoslovakia, Philippines -- I think they are also here -- Puerto Rico, Ialy, Sweden, and Mexico. In other words, many foreign representatives have participated in this UNAG congress. This proves once more that communication prevails among our peoples, and communication prevails among the peasants. In other words, the peasants and workers have a common language, the language of friendship, work, and peace. That is why this UNAG congress has been attended by so many representatives from the Nicaraguan people's brother countries.

This congress, your congress, is ending at a time when our country continues to be a victim of aggression by the U.S. Government. And I will try to respond to the question the companero from Puerto Rico asked me. The fact that Mr Habib, President Reagan's delegate, is touring the Latin American countries and saying that they are in favor of peace is nothing new. The policy of the Reagan administration in regard to the conflict they have created here in Central America by trying to destroy the Nicaraguan revolution is a policy with two faces, but one single content.

It is two-faced because, on the one hand, they want to pretend that they favor peace. However, in reality, they do not advocate peace. They are enemies of peace. They are enemies of the peace efforts of the Contadora Group, of the efforts of the Latin American countries, of Nicaragua's efforts. They advocate war. They advocate the destruction of the Nicaraguan revolution. They want to destroy the Nicaraguan revolution.

And while we have been talking here about work and production, without forgetting war, the war continues to strike at Nicaragua's territory. In other words, fighting is going on at this moment in many places in our territory, above all, in the frontier areas [words indistinct] fighting.

Our country lives under the threat of the U.S. military power. Every day the U.S. President devotes an aggressive message to Nicaragua. It is as if Nicaragua were a power truly threatening U.S. security. The U.S. President is hurling attacks at Nicaragua every day. What for? To prepare international public opinion. To prepare it for what? For international public opinion to accept any absurd action he [decides] to take against Nicaragua. In other words, we are threatened by the U.S. Government.

It is not true that the U.S. Government is already prepared to achieve peace with Nicaragua. That is, there is no such evidence at this moment. There is a larger presence of U.S. soldiers on the Honduran territory bordering with Nicaragua, and of U.S. military advisers on the Honduran territory bordering with Nicaragua, supporting the mercenary forces which are being defeated by the Nicaraguan people.

However, this entails dangers -- the danger that the current war at the border areas will become a war between U.S. troops and Nicaraguan soldiers, Nicaraguan fighters. That is why we say that the United States is becoming more and more directly involved in the military actions against Nicaragua. We have been defeating the contras and the contras have no possibility of winning, and since the United States does not want to accept peace, it has begun to take the place of the contras.

They are doing this contrary to world opinion because nobody supports this action by the United States. Nobody supports it in the world. Even in the United States the U.S. people do not support President Reagan's policy against Nicaragua.

Therefore, this is the reality. There is no possibility of achieving peace at this moment. We have concrete proposals to achieve peace (?with) the United States. We have expressed our willingness to continue discussing the Contadora peace proposal. However, the truth is that the United States is doing nothing in favor of peace. President Reagan, the U.S. Government is doing nothing in favor of peace. So, what is left for us to do under the circumstances? (?Well), to go on defending our country.

And how do we defend the country? The country is defended with weapons in the hands of the people. However, one can defend the country also by producing, because we cannot separate the military defense of the revolution from production. In other words, defense is an overall process that includes fighting the mercenary forces, the people's preparedness to confront and defeat a Yankee invasion if it takes place, and the people's capacity to produce amid such difficulties. This is the policy of defense. Therefore, the policy on defense is integral and you are a vital part of the policy of defense.

This is so because the peasants are in the production sector. The most sensitive issue in our country is the production of foodstuffs -- the production of basic grains, coffee, cotton, and cattle. The peasants are in this. So, we will respond to the Puerto Rican companero by saying that Mr Habib's messages is nothing new; that Mr Reagan has at other times sent other messengers who have gone around saying the same thing -- that they are in favor of peace. However, in practice, the United States is not showing that it advocates peace. [Words indistinct] many times. They want to subdue the Nicaraguan revolution. They want to destroy the Nicaraguan revolution. Their strategy is: either they surrender or we will destroy them.

However, we will not surrender and they will not be able to destroy us. This is not a propaganda line or anything extraordinary on our part. Here, the people do not want to surrender because they are defending a just position. A people cannot be destroyed, either, when they are defending a just position. [applause, shouts]

Well, we have no choice but to continue working. The companeros peasants organized in the UNAG must continue to till the land, to sow and to harvest, and to defend the land. This is the best way to defend the revolution. We must defend the land with our weapons, too. [indistinct voice in the background] The companero is right, we do not have enough weapons. We would like to give rifles to everyone who demands a rifle, but we do not have so many rifles, we do not have so many rifles [repeats himself]. [indistinct voice in the background] [Ortega and the crowd laugh] However, we must also use our own inventiveness and abilities for defense.

We must continue to organize ourselves, and you must make do with the rifles available right now. At certain times, the rifles were taken from the cooperatives and given to recently-organized battalions. Of course, this affects the companeros in the cooperatives. We have even seen cases where cooperatives were attacked by the contras after their rifles were taken away. We do not want to see these situations repeated, so we are exerting ourselves to send rifles to the cooperatives from which rifles were taken for other battalions, so that they may have their own rifles again.

Consequently, we must continue to send rifles to all the peasants. It is like the pledge concerning the land. However, we cannot do everything at once. Anyway, we will send them whenever possible. We would like to have a peaceful situation, instead of having to talk about sending rifles, but we must have rifles to defend our peace because the perspectives indicate there will be more aggression from the U.S. Government against the Nicaraguan people.

Well, companeros, we met tonight from 1900 to 0015 [laughter] this is 5 hours, right? Five hours and 15 minutes. [crowd shouts: We continue to support the FSLN!] Five hours and 15 minutes with only one blackout, only one blackout. [crowd laughs] Therefore, this is record time. Only one blackout. Tomorrow morning we have the closure, where we will hear the summary of this congress. We will also hear the messages sent by international organizations, and the speech by Companero Victor Tirado. [indistinct voice in the background] Well, yes; as a matter of fact, this is a new day. It will be held this morning, in a few hours.

We hope to meet with you in your respective regions and zones, during the upcoming "Face the People" programs, because we maintain the guideline of holding meetings and "Face the People" programs with the producers in the countryside. You know we continue to maintain this contact given the importance of the producers in the countryside, peasants, workers, all the people, and the companeros in the ATC [Association of Agricultural Workers].

In other words, we will meet again, companeros, to continue discussing the problems that were brought to our attention tonight. We have not answered some of the questions, but we have taken note of all the proposals. Whenever we meet with you again, in your respective regions and zones, remind us which proposals were presented tonight and have not been solved by that time. Thank you. [applause]

Tirado Closing Speech

PA272154 Managua Domestic Service in Spanish 1633 GMT 27 Apr 86

[Speech by Commander Victor Manuel Tirado Lopez, closing the First Olof Palme UNAG Peasant Congress in Managua -- live, broadcast in progress]

[Excerpts] ...Vice President Sergio Ramirez Mercado, National Directorate members, companero delegates, special guests: We want to take advantage of this First Congress of the UNAG, which bears the name of that great friend of Nicaragua, to present our revolutionary greetings to all delegates meeting here who support the organizational efforts of small-, medium-, and large-sized producers, to carry out this event even amid the aggression we are experiencing as a result of the Reagan administration's policy. The most reactionary circles are trying to stop the struggle of the peoples to achieve peace, progress, and economic development.

This alliance, today as yesterday, is reflected at the military level. Yesterday our struggle against Somozism and imperialism was rooted in the actions in Bocay, Pancasan, and (Cinca). Today our struggle is against the same enemies: imperialism, Somozism, and the new Somozism personified by CIA mercenaries.

This great alliance of farmers, agricultural workers, and urban laborers is also reflected in their firm determination to increase production in the city and the countryside, as well as the productivity, efficiency, and output in work and coordinated relations with labor unions, such as the ATC, the CST [Sandinist Central Organization of Workers], and all labor organizations willing to help defeat imperialist aggression.

The current stage of agrarian reform must be implemented in an organized manner by preventing injustices. The objective is not to eliminate private property, but to redistribute land ownership in a more just way. In the end, the objective is to bring the peasant out of his (?destitute) poverty, because UNAG was created mainly to try to eradicate poverty in the countryside, and to achieve that we must redistribute land to those who do not have any.

UNAG came into existence in a spontaneous and casual way. It is the product of a historic struggle to achieve the unity of laborers and peasants. They face a common enemy, namely U.S. imperialism and dominant classes. Sandino himself contributed this practical element, which began taking shape in Bocay in the form of a great alliance of laborers and peasants. This alliance was noticeable in the ties between people such as Rigoberto Cruz and Faustino Ruiz, top leaders of these two great sectors of production.

From this perspective, this is the origin of UNAG. It is rooted in the peasant movements, carried out even amid the cruel repression of that time, because when the movement lost direction following defeats at the military level, the peasant movement never abandoned the revolutionary struggle.

[Words indistinct] in the past few years, has been dedicated to fighting against terrorism. Reagan now is not only violating all international laws but is also disrespective of the meaning of words and actions, because he calls the brand of terrorism he applies right to self-defense.

President Reagan, in his attempt to justify his forceful policy aimed at the entire world and especially at the Third World, national liberation movements, and peoples fighting for their independence, sovereignty, and their right to self-determination, is creating a new language. Using the excuse of fighting terrorism, Reagan is testing the imperial will through aggression, blackmail, pressure, and threats. Nicaragua and Libya were the first victims of Reagan's terrorism. He is now directing his battery against Iran and Syria. Tomorrow, he will add other countries to his list. The most important thing is that he chooses as his targets nonaligned Third World countries, recently liberated from imperialism, who are fighting to maintain their autonomy.

UNAG cannot overlook this warmongering and terrorist policy of the U.S. President, because that crusade against terrorism, President Reagan's foreign policy implemented under the pretext of fighting terrorism is, in reality, a crusade favoring neocolonialism. In his desperate race to impose his hegemony over the entire world, including the USSR, Reagan is bringing the world to the brink of war. This is the most dangerous aspect of his false anti-terrorist campaign.

If the majority on this planet does not unite to stop Reagan's warmongering attitude, he can, as did Hitler in 1936, drag the world into a new world war which, as we know, would have catastrophic consequences for humanity. Peace has not been so seriously threatened since World War II as now. Nicaragua will continue to fight against the beginning of a new nuclear war and will continue to make efforts to end the war imposed on us by U.S. President Ronald Reagan.

This great Sandinist movement and popular revolution is our country's contribution to world peace. It is the continuation of our efforts to achieve world peace in keeping with Sandino's doctrine. We do not limit this to our latitudes, because the peace doctrine, the doctrine of Sandino, has gone beyond our limits. It joined the doctrines of Bolivar, Marti, and Morazan to establish a single Latin American doctrine against colonialism, neo-colonialism, and imperialism and for peace and independence. The FSLN has made this doctrine its own.

We are sure that once we achieve peace, Nicaragua will become a power, not a military power, but an economic power. We will be capable of producing a large volume of basic grains to satisfy consumption levels, not only within our country, but also in the Central American area. We urge other Central American countries to take up this challenge. Companero peasants, leaders of your respective communities: once again, we congratulate you for the success of this congress. On behalf of the FSLN, we reiterate our call to strengthen our fatherland's defense and work in the trenches.

To achieve that end, we must increase our level of efficiency and increase productivity in several crops, in the private sector as in the people's property. Rural and urban workers must increase their productivity, because in order to overcome its backwardness, its economic backwardness, and defeat aggression, a country likes ours must work harder. This is the priority element in the national effort that involves thousands of combatants and youths within the Patriotic Military Service, the Military Reserves Service, and Sandinist People's Militias. They allow us to participate in this event. That is the result of our work, the example, the inheritance that we will bequeath to future generations that will make us feel that we have fulfilled our duty.

That is how we built up patriotism, our new fatherland, a new nation by creating a great national unity. That is how the Sandinist People's revolution of small, medium, and large-size producers, of students, intellectuals, heroic women, laborers and peasants will continue to world peace. Free fatherland, [crowd answers: or death!]

EPS CLAIMS 1,000 REBEL CASUALTIES IN 4 MONTHS

PA282219 Buenos Aires REUTER in Spanish 0000 GMT 28 Apr 86

[Text] Managua, 27 Apr (REUTER) -- The EPS said today that it had caused some 1,000 casualties, dead and injured, among the U.S.-backed rebels in clashes since the beginning of this year. The main spokeswoman for the Army, Captain Rosa Pasos, told REUTER that the Sandinists suffered only 300 casualties in the same period. She said that during this last month small groups of insurgents had been entering Nicaragua from neighboring Honduras, and at this time there are up to 1,800 of the so-called contra rebels in Nicaragua.

Pasos said that most of the clashes take place in the northern departments of Jinotega and Matagalpa. Last week the press was invited to visit a military hospital in the strife-torn northern zone. The hospital was reportedly 65 percent full. Many of the patients said that they had been injured in recent clashes.

Pasos said that the EPS was inflicting hard blows on the rebels and cited an attack last month on their camps in Honduras, where 350 insurgents were killed, according to the Defense Ministry.

Pasos added: "We are better prepared, better organized than last year, and we are striking back at the mercenaries with harder blows."

OPPOSITION LEADERS VIEW CONTADORA PROSPECTS

PA290219 Madrid EFE in Spanish 0118 GMT 29 Apr 86

[By Alba Infante]

[Text] Caracas, 28 Arp (EFE) -- Political opponents to the Sandinist Government told EFE today that there are possibilities that Nicaragua will sign the Contadora peace document, even though signing the document would not guarantee a solution to the internal conflict of that Central American nation. Representatives of six opposition political parties, all of them describing themselves as democratic parties and opposed to Sandinism, said today in Caracas that they believe there is a real possibility of a dialogue with the Managua government.

These statements were made to EFE by Erick Ramirez, president of the Social Christian Party, and Ignacio Miranda, member of the Constitutionalist Liberal Party, organizations in opposition to the Sandinist government within Nicaragua.

Virgilio Godoy, president of the Independent Liberal Party; Mario Rappaccioli, president of the Conservative Party; Luis Rivas Leiva, president of the Social Democratic Party; and Enrique Sotelo Borgen, president of the Democratic Conservative Party are the other members of the delegation of Nicaraguan politicians currently visiting Venezuela.

The Central American politicians are visiting Venezuela as part of a tour that has taken them to Panama and Colombia and will conclude in Mexico, the four countries of the Contadora Group.

Ramirez said there is a possibility that the Managua government led by Daniel Ortega will agree in the end to sign the Contadora peace document on 6 June. "The Sandinists are following a stand of making surprise moves, and therefore we think there are possibilities that they will sign the document and appear to adopt a conciliatory stand after they have been following a negative stand," Ramirez said.

Such a decision would make the Sandinists appear "before the eyes of the world" as if they were really supporting a process of conciliation. But according to Ramirez, signing the peace document is not really the important thing, but rather "the consequences following the implementation of the document."

One of the aspects emphasized by the Nicaraguan opposition -- and that is the main goal of their visit to the Contadora nations -- is to call attention to the fact the peace document points out only general positions on the need for beginning a process of understanding within Nicaragua.

"We urge Contadora to include in the document a provision whereby, in order for a conciliation process to begin in Nicaragua there must first be an immediate dialogue with the political parties," Ramirez pointed out. This stand is shared by Miranda, who, as a member of the Constitutionalist Liberal Party, states that the political groups opposing the Sandinist regime "have been left out of the Nicaragua-Contadora dialogue."

Thus, the political opponents of the current Nicaraguan Government believe that the Contadora document regulates only the relations of that country with its Central American neighbors, while the internal conflict situation is not taken into consideration.

Miranda thinks the solution to the Nicaraguan crisis must first pass through an understanding between the current government and the opposition democratic forces.

"Nicaragua's problem cannot be solved without taking into consideration the political parties within the country," said Medina [as received], who pointed out that signing the peace document without the Sandinists' first reaching an actual commitment with the opponents within the country will serve only to consolidate a Marxist-Leninist regime. Even though the Sandinists have not officially defined themselves before the world as a Marxist regime, the Nicaraguan political leaders agreed that this is the obvious trend of the Managua government.

Therefore, the civilian organizations believe the signing of the peace document "will prevent a terrible killing in our country" if conditioned to a commitment by the Sandinists to reach a true dialogue with the political opposition. In order to reach a true pacification of the country, the six parties are proposing that the Sandinists immediately suspend all hostilities between the progovernment forces and the anti-Sandinists. The issuance of a general amnesty and the signing of an agreement among the political parties in order to carry out new elections, which are considered a "very critical" issue, are some of the main points mentioned by the opposition.

Thus, there are two pictures of the Nicaraguan problem according to the visiting politicians: The internal situation and the Sandinists' relations with their Central American neighbors, and an aspect that has been repeatedly challenged by Contadora and not mentioned by the consulted politicians: foreign powers' interference in the regional situation.

PSC LEADER URGES ORTEGA TO 'TURN OVER POWER'

PA271843 Panama City ACAN in Spanish 1740 GMT 27 Apr 86

[By Denis Garcia Salinas]

[Text] Managua, 27 Apr (ACAN-EFE) -- The opposition Social Christian Party [PSC] has challenged President Daniel Ortega to convoke elections and turn over power in order to "stop the war." PSC Vice President Azucena Ferrey has sent a letter to Ortega in which she also refers to the "level of discontent" which prevails and the need for the leader to "put himself in the people's place."

The PSC leader criticized Ortega's administration and demands that the leader turn over, "in a civilized way, the helm of the ship which he can no longer control." "You (Ortega) know that this is the only way to stop the war," she explains in the letter, which she decided to write given her "strong feelings and thoughts about the level of guilt which I share" concerning the national crisis.

Azucena Ferrey states in her letter to Commander Ortega that "there are specific ways to achieve peace; there are roads which have not been followed due to a lack of willingness and to stubbornness." In her challenge to the head of state, the PSC vice president also urges Ortega to fulfill the peace pledge with the Contadora Group, which has convoked the Central American countries to a meeting on 6 June.

The political leader urges Daniel Ortega to "accept and implement the contents of the document signed by six political parties" for establishing "a regime of authentic democracy." On 30 January the PSC, the Independent Liberal Party, the Democratic Conservative Party of Nicaragua, the Constitutional Liberal Party, the Social Democratic Party, and the Central American Unionist Party signed a document in which they demand, among other things, new elections, a national dialogue, and a cease-fire. "We want to live in times of peace. We need these times of peace to rebuild what has been destroyed, to stabilize what has been destabilized, and to amend mistakes; in this way we will overcome the current crisis," she points out. The opposition leader asserts that this will be possible only if President Ortega "heeds" the people, returns "their civil and citizen rights, frees the news media, and suspends censure."

"For you to properly address the people you (the president) must first learn to win the respect of those people, and this implies having the humility to recognize that we are not irreplaceable, that we are not eternal," she indicated. "Let the people exercise their rights to self-determination and sovereignty and choose their own destiny for the first time; let them create their own option," she asserted.

She urges Daniel Ortega to "exert himself and seek a much more direct contact with the people, so that he may ascertain the level of discontent which prevails." Azucena Ferrey also accuses "officials in his party" of "defending their ideological and personal interests" and "encouraging the crisis and anguish which afflict us." Ferrey urges Ortega to "convince" his "party comrades" to abandon "their concept of uniqueness and the arrogance which fills them, making them feel important and powerful."

"Your patriotism and that of your party comrades must submit to the people's will," the leader says in her letter. She also asserts that these officials "do not deserve to live on the sacrifices and deprivation which the taxpayers are withstanding"; therefore she demands that Ortega ask them to "resign." The leader describes these people as "parasites and hypocrites."

In her letter, Ferrey also urges Ortega to walk the streets, "without bodyguards," and endure "with the people" the lengthy lines at the supermarkets, hospitals, and bus stops. She invites him to give up "prefabricated" programs like "Face the People," no longer heed "flattery," and find a way to visit prisons so that he may ascertain the real truth.

DESERTER SAYS FDN INVOLVED IN DRUG TRAFFICKING

PA260345 Paris AFP in Spanish 0018 GMT 26 Apr 86

[Text] Tegucigalpa, 25 Apr (AFP) -- An FDN deserter today accused leaders of that organization of drug trafficking, smuggling, stealing, U.S. economic aid, and eliminating in Honduras former members of that organization. In statements to the Honduran radio station La Voz de Honduras, Leonardo Antonio Zeledon Rodriguez, former member of the FDN and identified as one of its founders in 1980, reported that on 21 January there was an attempt on his life ordered by anti-Sandinist leader Enrique Bermudez, a former member of the National Guard during Somoza's dictatorship. Zeledon said that the attempt on his left, which left him disabled, was ordered by the FDN because he denounced the participation of anti-Sandinist leaders in drug trafficking, the mishandling of the resources provided by the U.S. Government, and the execution of former members of the organization.

DEBT RESCHEDULING DISCUSSED WITH PARIS CLUB

FL281828 Bridgetown CANA in English 1808 GMT 28 Apr 86

[Text] Havana, April 28, CANA-REUTER -- Cuba and its Western creditors are still far apart in their ideas on how to refinance the country's 3.5 billion dollar foreign debt this year at the end of a first round of talks in Havana, diplomatic sources said today.

Last week, a delegation from the Paris Club held four days of talks with a Cuban team led by Central Bank President Hector Rodriguez Llompart on refinancing the 1986 maturities on Cuba's government-to-government debt. The Paris Club is a group of ten major industrialized countries that try to coordinate monetary and fiscal policies to create a more stable world economic system.

Shortly before the Club's mission left on Saturday, Cuba presented it with a set of refinancing proposals and a series of economic projections for 1986 and 1987, the sources said. The 50-page document contained several alternative proposals for refinancing the Cuban debt this year, which the sources described as tough and containing elements which were unacceptable to the Paris Club. These unacceptable elements included a proposal to refinance the debt which has already been rescheduled in earlier agreements, they added. The distance between the position of Cuba and the Paris Club is still very great, one Western diplomat said.

The sources admitted that Cuba faces a difficult balance of payments situation this year since its income from hard currency exports is likely to decline several hundred million dollars from the 1985 level of 1.3 billion. The sharp fall in world oil prices since last November has slashed Cuba's income from re-exports of Soviet crude -- its main source of foreign currency -- while a poor 1885-86 sugar harvest has left the country with little for export to the West after meeting its commitments to the Soviet Union and other members of the communist trading group Comecon. At the same time, the sources noted, cuban imports from the West have already been cut to the bone -- 1.3 billion in 1981. Any further reduction would seriously affect the country's programme of investment in new export-oriented industries, they added.

Cuba is therefore trying to refinance the maximum amount possible of debt this year to contain its balance of payments deficit, the sources said, although they did not mention a specific amount.

A further round of rescheduling talks with the Paris Club is due to take place in Paris within 90 days, the sources said. One source mentioned the possibility of formal negotiations starting as early as mid-May. Cuba is also expected to open negotiations soon on rescheduling its debt to commercial banks, which accounts for half its overall 3.5 billion dollar foreign debt.

FLAVIO BRAVO MEETS WITH FRG DELEGATION

PA282232 Havana International Service in Spanish 2300 GMT 26 Apr 86

[Text] Flavio Bravo, president of the Cuban People's Government National Assembly, has met in Havana with a delegation of the FRG Parliament headed by Deputy Ludger Volmer, a member of the presidency of the Green Party. In line with the interests of the guests, views were exchanged regarding the Central American situation and international financial policy. The FRG delegation will visit historic and economic centers of the country.

CLASHES REPORTED DURING ELECTORAL CAMPAIGN

PA290231 Paris AFP in Spanish 2337 GMT 28 Apr 86

[Excerpts] Santo Domingo, 28 Apr (AFP) -- Two persons were killed and 21 injured as a result of incidents and clashes during electoral campaign demonstrations held all over the country this past weekend, according to a report published today by the evening newspaper ULTIMA HORA.

The fatalities were identified as Miguel Hernandez Ferraras, 19, a member of the conservative Christian Social Revolutionary Party (PRSC), the main opposition party, and Domingo Antonio Guzman, 57, of the ruling social democrat Dominican Revolutionary Party (PRD).

With 19 days left before the general elections, the electoral campaign intensified during the weekend with numerous marches and rallies.

Despite repeated pleas by the authorities and prominent political figures and leaders, new violent clashes were reported. Although these have been isolated, the number of fatalities increased to five, and hundreds have been injured in shooting and rock-throwing incidents during the current campaign.

In what appears to be a calculated position, the police did not confirm or deny the incidents or victims, ULTIMA HORA reported.

WESSIN Y WESSIN JOINS BALAGUER CAMPAIGN

FL282313 Santo Domingo LISTIN DIARIO in Spanish 14 Apr 86 pp 1, 17

[By Manuel Silvestre]

[Excerpt] Yesterday retired General Elias Wessin y Wessin joined Dr Joaquin Balaguer's presidential campaign and urged the Democratic Quisqueyan party membership to vote for the Reformist-Social Christian party and its leader.

WORKERS DEMONSTRATE AGAINST CANADIAN FIRM

FL261156 Bonaire Trans World Radio in English 1130 GMT 26 Apr 86

[Text] In Santo Domingo, Dominican Republic, scores of striking workers demonstrated yesterday against a Canadian mining firm in the northern town of Bonao, 1 day after a bomb exploded in a market wounding at least two people. The striking workers are protesting the lay-off of 168 employees, including the union's leadership. They are also demanding higher salaries, but officials for the Falconbridge Mining Company say the firm cannot meet the workers demands because it lost $10.8 million last year.

BARBADOS

BARBADOS, TRINIDAD PRIME MINISTERS HOLD TALKS

FL282232 Bridgetown CANA in English 1812 GMT 28 Apr 86

[By Reudon Eversley]

[Text] Bridgetown, Barbados, April 28, CANA -- Barbados and Trinidad and Tobago today agreed to set up a joint team of officials to come up with ways of boosting declining bilateral trade, officials said.

The decision was taken during the first round of discussions between Barbados Prime Minister Bernard St John and his Trinidadian counterpart George Chambers, who began a two-day official visit here this morning.

Trinidad's External Affairs Minister Errol Mahabir told reporters after the two-hour meeting at government headquarters that the teams role will be to examine further those problems which exist, to examine extra-regional imports, and to determine which areas ... there can be free trade.

Trade between the two Caribbean Community (Caricom) states has been on the decline over the last few years, with Barbados recording a near 50 per cent drop in exports last year which manufacturers here have blamed on an import licensing system and foreign exchange control regime (ECO) in Port-of-Spain.

...We have indicated quite clearly that we can't at the present time terminate our exchange control regime but within that parameter that we will be able to identify areas of free trade and remove any impediments, Mahabir said.

What we would like to have is a regime which is quite clear as to what items are going to be allowed to trade freely. Once we know that, then our manufacturers can operate with far greater certainty, Barbados Foreign Affairs Minister Nigel Barrow said. That sort of thing will be worked out after (the) officials sit down and go into the details.

Another key agenda item has to do with bilateral air services. Mahabir said this will come up tomorrow when the second and final round of talks take place.

Other matters, including the question of a new Caricom trade payments mechanism and Haiti, were also discussed briefly this morning. The trade payments system will go before Caricom finance ministers at a forthcoming meeting and the Haitian situation will be discussed by Caricom foreign ministers at a meeting in Belize in June.

The discussions...so far have been quite satisfactory, Mahabir said. There has been frank discussion and further details will be available at the end of the talks, Barrow said.

Chambers and St John have scheduled a joint news conference for tomorrow evening, prior to Chambers departure for home. Both leaders will officiate this afternoon at the formal opening of the Arawak cement plant, a joint venture between the two countries.

REPORTS ON ACP MINISTERS MEETING 21-23 APR

Foreign Minister Opens Meeting

FL220104 Bridgetown CANA in English 2337 GMT 21 Apr 86

[By Rendon Eversley]

[Text] Bridgetown, Barbados, April 21, CANA -- The 40th Council of Ministers meeting of the African, Caribbean, and Pacific (ACP) grouping opened here today, with a call from Barbados Foreign Minister Nigel Barrow for concrete decisive action by the 66 developing nations towards deepening intra-ACP cooperation.

Boosting intra-ACP cooperation, sugar exports to the European Economic Community, and proposals calling for some restructuring within the ACP and its Brussels-based Secretariat are among major agenda items for the conference, taking place ahead of a joint ACP-EEC ministerial meeting Thursday.

Going before the ACP Ministerial Council will be a draft plan of action, drawn up by the committee of ambassadors as a result of a special session of the council in Zimbabwe last October, identifying trade, trade financing, air and maritime transport as key areas for initial intra-ACP cooperation.

Conference sources said better sugar prices for ACP sugar exports to Europe, additional staff for the ACP Secretariat, and a proposal to increase the frequency of African states holding the presidency of the ACP council would go before the council.

Economic relations between the EEC and the ACP fall under the Lome Convention, the third of which comes into force on May 1.

Barrow, declaring open the meeting, said the time had come for ACP states to implement provisions of various declarations urging increased cooperation. What we need now are not more declarations or plans, but concrete decisive action, he said.

The sources said they only expected the council to take note of the draft action programme at this meeting and pass it back to the ambassadors for further consideration in Brussels. But the sources said the idea emerging was that the best approach towards deepening cooperation, generally regarded to have lagged behind, should first be at the regional level, for example among Pacific member states. Where it makes sense, we should then spread it further, they told CANA.

The question of better sugar prices will tomorrow occupy the attention of sugar ministers who will then report to the council for adopting a position for Thursdays joint meeting with the EEC. Sources said today ACP delegates were firm that the EEC buyers should grant ACP exporters the same 1.3 per cent price increase as European producers for the current delivery year ending in June. The offer to the AC was a 1.15 per cent increase. Negotiations are deadlocked and the sources said they were hoping for some breakthrough at this meeting.

Sources said the proposal to restructure the Secretariat centered on the need to improve its shaky financial position and for the appointment of a deputy secretary-general as well as more technical staff to better equip ACP nations to benefit under the third Lome Accord with the EEC.

ACP council president, Foreign Minister of the Solomon Islands Paul Tovua emphasised this point when he spoke at the opening session of the meeting.

On May 1, the Lome III Convention comes into force. We need to have all our institutions, including our own Secretariat, in ship shape to ensure that we are ready and able to fully exploit the convention, he said.

Foreign Minister Barrow urged the council to be attentive not to compromise the integrity of any of the three ACP regions or the oneness of the ACP group in the review of the structure of the organisation.

The reference was apparently targetted at an African-backed proposal that would see African states dominating the presidency of the ACP council, at present rotated evenly among the three regions. Under the proposed change, the following system of rotation is envisaged -- Africa; Africa; Caribbean; Africa, Africa; Pacific.

The councils first decision after the formal opening was to approve an application from Haiti for observer status within the ACP, to lay the basis for eventual full membership.

Haiti Admitted as Observer

FL221512 Bridgetown CANA in English 1340 GMT 22 Apr 86

[Text] Bridgetown, Barbados, April 22, CANA -- Haiti, the poorest nation of the Western Hemisphere, was last night admitted as an observer within the 66-nation African, Caribbean and Pacific (ACP) group, the ACP Secretary-General Edwin Carrington said.

The decision, taken by the ACP Council of Ministers meeting here, was in response to an application by the Caribbean nation which wants to eventually become a full member of the Third World organisation.

This is a unique step for the ACP group, Carrington told reporters after the council adjourned. It is a first reaction to the constitutional changes that have taken place in Haiti by the ACP group extending a willing, brotherly hand to assist Haiti to regain its position among the democratic nations of the world.

Haiti is going through a transitional period to democracy, following the ouster in February of dictator Jean-Claude Duvalier.

Secretariat's Finances Scrutinized

FL231440 Bridgetown CANA in English 1122 GMT 23 Apr 86

[By Reudon Eversley]

[Text] Bridgetown, Barbados, April 23, CANA -- Ministers of the African, Caribbean and Pacific (ACP) group meeting here last night urged defaulting member states to pay up about U.S. 2 million dollars in arrears in a move to help ease a severe cash flow problem at the Brussels-based ACP Secretariat, officials said.

ACP Secretary-General Edwin Carrington, briefing reporters at the end of day two of the three-day Council of Ministers meeting, said the Secretariat's shaky financial position came under scrutiny, as the ministers studied ways of strengthening the ACP's organisational base to take maximum advantage of the third Lome trade and aid accord with the European Community. Lome III comes into force on May 1 and top ACP officials have stressed the importance of having the ACP organisation in shipshape to take full advantage of the pact.

Carrington said the council was expected today to decide on proposals from the committee of ambassadors for increasing the Secretariat's staff from 80 to 109 persons, and possible options for increasing the annual U.S. 3 million dollar budget, including a possible increase in contributions by member states. You cannot enlarge (and).. strengthen the Secretariat which we need to do if we are going to effectively implement Lome III without some increase, he said. The restructuring (of the Secretariat) implies a larger budget for the Secretariat and this poses a dilemma. If you cannot finance the existing Secretariat on the existing budget, how do you restructure and finance the Secretariat on a larger budget?

The major item before the council yesterday was a draft U.S. 140 million dollar plan of action for boosting cooperation among the 66 ACP states in the areas of trade, shipping, and air transport.

Somalian Ambassador Mohamed Omar Giama, chairman of the ACP Committee of Ambassadors, said the ministers took note of the programme and passed it back to the committee for further refinement. It will be submitted again at the next council meeting.

The council also looked at the major problem of drought and desertification in Africa, and agreed to raise it with European Community ministers at a joint meeting opening here tomorrow, Giama said.

When the council resumes meeting this morning, the ministers are expected to discuss the agenda for tomorrow's joint meeting with the EEC and ACP'S preparations for the Lome III Accord, the officials said.

Finance Problem Unresolved

FL251940 Bridgetown CANA in English 1716 GMT 25 Apr 86

[Text] Bridgetown, Barbados, April 25, CANA -- The African, Caribbean and Pacific (ACP) Council of Ministers met in unscheduled session here today but failed to reach firm decisions on the key issue of restructuring the financially-troubled ACP Secretariat, conference sources said.

The sources said discussion during the morning session focussed on settling an estimated U.S. 2 million dollars in arrears owed to the 66-nation organisation by member states. This issue is seen as central to the whole restructuring plan.

Delegates, who were due to end their meeting yesterday, felt generally it should be left up to the defaulters to decide when to pay.

Expressing disappointment, one source told CANA: The conference should have said (that) within (a specified) time, arrears should be paid or arrangements should be made so that the governments and the Secretariat should get together and arrive at a timetable within which the arrears should be cleared. But it was left open as if governments recognised the importance of paying their arrears and so on. I thought the decision should have been more positive than it turned out.

At the start of the meeting Monday, ACP officials stressed the importance of arriving at firm decisions here to strengthen the brussels-based Secretariat so as to enable member states to maximise trade and other benefits under their new Lome III accord with the European Community.

The ministerial meeting was adjourned and the sources said they expected delegates to get together again before leaving here.

Another major agenda item to be dealt with is a review of the Georgetown Agreement which set up the ACP 10 years ago. Central to move is an African-backed proposal for changes in how the ACP presidency is rotated.

Meanwhile, the joint EC-ACP council of ministers was back in session, with the sugar dispute between the two sides expected to dominate discussion.

Compromise on EEC Sugar Prices

FL261446 Bridgetown CANA in English 1349 GMT 26 Apr 86

[Text] Bridgetown, Barbados, April 26, CANA -- The European Community (EEC) and the African Caribbean and Pacific (ACP) group last night reached a compromise agreement, ending a protracted dispute on new prices for ACP sugar exports for 1985-86, delegates said.

The late night consensus came after ACP producers, except Mauritius, decided under protest to accept the EEC'S revised offer of a 1.33 per cent increase for April to June, and 1.15 per cent for the other nine months.

Barbados Agriculture Minister Dr Richard Cheltenham told reporters that as part of the agreement, ACP exporters would start negotiations shortly with the EEC refiners on an amendment to their commercial contract in a move to obtain compensation for the short-fall in earnings due to the two-tiered increase.

We are not sure that we will get full compensation, but Tate and Lyle has accepted, speaking on behalf of both the French refiners and themselves, to offer us a compensation package which would go a large way towards making up for the shortfall, he said.

One Mauritius delegate said they would first have to study the implications of the agreement before making a decision. Mauritius is the largest ACP exporter.

The sugar issue was the most contentious on the agenda for a two-day joint ACP/EEC council of ministers meeting which ended here last night.

Cheltenham said a pre-fixing arrangement on shipments to Britain would be applied to the refiners, in the hope of allowing ACP exporters to get the highest price within any two week delivery period.

The move is in an apparent attempt to allow the ACP to obtain highest possible earnings in view of a week-to-week variation in the value of the monetary units applicable to sugar exports to Britain, owing to the fact that Britain does not belong to the European Monetary system.

This pre-fixing is...going to be applied to the refiners so that in advance of every shipment arriving in the U.S., they will be able to tell us what price we are going to get in the hope that we will get, over a short period of two weeks, the highest price within any delivery period of two weeks, Cheltenham said.

ACP producers, who sell sugar to the EEC at prices above the world market level, had accused the EEC of discrimination by their original offer of 1.15 per cent as against 1.33 per cent to European producers over the same 12 month period.

EEC president, W. Van Eekelen, had said the percentage difference stemmed from a decision to give a higher increase to white-sugar producers than those selling raw sugar. The decision has been scrapped and henceforth both types of sugar will get equal treatment.

ACP Secretary-General Edwin Carrington told reporters he understood the EEC was considering granting interest on the unpaid 1.15 per cent covering from last July to March. He added: There is apparently a further mechanism to be calculated which is at this moment not quantifiable: The sharing of certain benefits which might accrue to the refiners on the basis of the pre-fixation mechanism should that bring any benefits.

ACP producers sell 1.3 million tonnes of sugar to the EEC a year. Barbados, Belize, Guyana, Jamaica, St Kitts-Nevis, Trinidad and Tobago, are the Carribbean nations in the ACP sugar bloc.

Cheltenham said negotiations on increases for the 1986-87 year, beginning in July will start shortly, mostly likely next month. He said no positions had been adopted by the ACP here with regard to these talks.

Meanwhile, President of the ACP Council of Ministers Paul Tovua told reporters they had failed to come up with firm decisions on the key issues at their separate meeting, including the restructuring of the financially-strapped ACP secretariat in Brussels, regarded as the number one priority.

Tovua, the foreign minister of the Solomon Islands, said the matter, which hinges on the collection of U.S. 2 million dollars in arrears from defaulting member states, was referred back to the Committee of Ambassadors until the next council meeting. He said there was no discussion on an African-backed proposal to change the system of rotation of the ACP presidency because there wasn't enough time. The move, which would require amendment of the 10-year-old Georgetown Agreement that set up the 66-nation grouping, has also been deferred until the next council meeting.

GRENADA

BLAIZE DENIES PLANS TO STEP DOWN DUE TO ILL HEALTH

FL282325 Bridgetown CANA in English 2243 GMT 28 Apr 86

[Text] St Georges, Grenada, April 28, CANA -- Grenada Prime Minister Herbert Blaize has described as nonsensical reports that he is considering stepping down soon because of ill health.

Blaize, 67, spoke about the reports in a weekend radio broadcast hours before he left the island to return to the United States for medical attention to a prostate gland disorder.

The London-based publication, CARIBBEAN INSIGHT, recently carried a report alleging that Blaize would be stepping down on medical grounds and that there would be problems within his party over a successor.

He told Grenadians not to succumb to such reports, adding that the people spreading them should look for another subject because the members of my party who are ministers of government all know that it is together we make it, and anybody who tries to break it would not only break themselves but would be getting out in the wilderness. He said that whatever stresses the party might go through it has enough resilience, strength and flesh to withstand that nonsensical thing they are talking about.

ECUADOR

EDUCATION MINISTER'S DEATH 'OFFICIALLY CONFIRMED'

PA281857 Paris AFP in Spanish 1843 GMT 28 Apr 86

[Text] Quito, 28 Apr (AFP) -- Ecuadoran Education Minister Camilo Gallegos, one of his sons, and four other people died in an airplane accident last Friday. This was officially confirmed after a rescue team arrived at the site of the accident in Mount Ruminahui, southeast of Quito.

SURINAME

SURINAME, PRC SIGN COOPERATION DOCUMENT

FL252143 Paramaribo International Service in English 1800 GMT 25 Apr 86

[Text] Suriname and the People's Republic of China have yesterday signed a document for further cooperation. Mr Herrenberg of foreign affairs and his Chinese counterpart Wu Xueqian totally evaluated the relations between the two countries before signing the document. The two foreign ministers also discussed the international political and economic situation.

Yesterday the Suriname delegation also held talks with the department of foreign economic relations and trade about new forms of economic and financial cooperation.